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LEGISLATIVE HISTORY

Public Law 426--80th Congress

H. R. 4127

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DIGEST OF PUBLIC LAW 426

CIVIL SERVICE RETIREMENT. H. R. 4127 amends the Civil Service Retirement Act of 1930. Permits optional retirement from age 55 through 59 after 30 or more years of service, the annuity to be diminished by $\frac{1}{4}$ of 1% for each full month employee is under age 60; permits retirement of employees involuntarily separated (not for cause) after 25 years of service, annuity to be reduced by $\frac{1}{4}$ of 1% for each full month employee is under age 60; and provides that the Department may no longer have the right to request an employee's retirement if it thinks he is disqualified to render satisfactory service. Waives the 6 months' time limitation for filing disability claims in cases where the employee is receiving hospital treatment during that period and those persons heretofore separated to file claims within 6 months after April 1, 1948; provides that no further annual medical examination is required for disability annuitants after they reach age 60; and provides that a disability annuitant is eligible for a full discontinued service annuity at age 60, if upon recovery after April 1, 1948, he does not resume employment. Provides two formulas for computation of annuities (a) for average salaries up to \$5,000, 1% of the average salary for the 5 highest consecutive years, multiplied by the years of service, plus \$25 for each year of service, or (b) for average salaries above \$5,000, $1\frac{1}{2}\%$ of the average salary multiplied by the years of service. Provides for joint and survivorship annuities if the employee does not elect to receive full annuity. Provides for the reemployment of an annuitant after reaching age 60 only if he is possessed of special qualifications; such service is not credited for retirement and no retirement deductions may be made, the annuity does not stop but the amount of such annuity is deducted from the

salary due the reemployed annuitant. Provides that an employee must have 5 years of civilian service before he may have title to an annuity, a combination of military and civilian service aggregating 5 years is not sufficient. Increases the amount of retirement deductions to 6% effective the first pay period after June 30, 1948. Provides that an employee who has 5 but less than 20 years of service may receive refund of all deductions with interest, but requires redeposit of such amounts plus interest in the event of reemployment under the retirement law in order to secure credit for the prior service covered by such refund. Reduces the interest rate on retirement accounts to 3% after Jan. 1, 1948. Repeals the tontine provision as of April 1, 1948, all employees still in service to have their retirement accounts credited with total amounts paid in. Provides benefits for widows and children of male employees with at least 5 years of civilian service who dies in the service. Increases, effective April 1, 1948, annuities of annuitants retired prior to April 1, 1948, by 25%, or \$300, whichever is the lesser amount, or if the annuitant so elects he may continue to receive his present annuity and name his wife (or her husband) to receive one-half of such present annuity, but not to exceed \$600 a year during the rest of his or her life. Except as otherwise indicated, the act becomes effective April 1, 1948.

INDEX AND SUMMARY OF HISTORY ON H. R. 4127

February 19, 1947 S. 637 was introduced by Senators Langer and Chavez and was referred to the Senate Committee on Civil Service. Print of the bill as introduced. (Companion bill).

March 6, 1947 H. R. 2407 was introduced by Rep. Miller and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).

March 10, 1947 H. R. 2462 was introduced by Rep. Stevenson and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).

H. R. 2447 was introduced by Rep. Jones and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).

March 11, 1947 Hearings: Senate, S. 637, Pt. 1.

March 25, 1947 Hearings: Senate, S. 637, Pt. 2.

April 25, 1947 Senate Committee reported S. 637 with an amendment. Senate Report 143. Print of the bill as reported.

April 28, 1947 H. R. 3232 was introduced by Rep. Stevenson and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).

May 5, 1947 Amendments proposed by Senator McCarran to S. 637. Prints of the amendments.

May 7, 1947 Amendment proposed by Senator Sparkman to S. 637. Print of the amendment.

May 8, 1947 Amendment proposed by Senator Tydings to S. 637. Print of the amendment.

May 19, 1947 H. R. 3511 was introduced by Rep. Jones and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).

May 26, 1947 House Committee reported H. R. 3511 without amendment. House Report 461. Print of the bill as reported.

June 16, 1947 H. R. 3511 was discussed in the House and passed as reported.

June 17, 1947 H. R. 3872 was introduced by Rep. Stevenson and was referred to the House Committee on Post Office and Civil Service Committee. Print of the bill as introduced. (Similar bill).

June 18, 1947	H. R. 3511 was referred to the Senate Committee on Civil Service. Print of the bill as referred.
June 24, 1947	Hearings: Senate, H. R. 3511 and H. R. 4127.
June 27, 1947	House Committee reported H. R. 3872 with amendments. House Report 726. Print of the bill as reported.
July 9, 1947	H. R. 4127 was introduced by Rep. Stevenson and was referred to the House Committee on Post Office and Civil Service Committee. Print of the bill as introduced. (Revised omnibus retirement bill).
July 11, 1947	House Committee reported H. R. 4127 without amendment. House Report 888. Print of the bill as reported.
July 15, 1947	House Rules Committee reported H. Res. 292 for the consideration of H. R. 4127. House Report 918. Print of the Resolution.
July 21, 1947	H. R. 4127 was debated in the House and passed as reported.
July 22, 1947	H. R. 4127 was referred to the Senate Committee on Civil Service. Print of the bill as referred.
July 24, 1947	Senate Committee reported H. R. 4127 with an amendment. Senate Report 746. Print of the bill as reported.
July 26, 1947	H. R. 4127 was discussed in the Senate.
January 12, 1948	H. R. 4127 and S. 637 were passed over on request in the Senate.
January 21, 1948	Amendment (in the nature of a substitute) proposed by Senator Taft to S. 637. Print of the amendment.
January 23, 1948	H. R. 4127 was debated in the Senate and passed with amendments. Senate Conferees appointed. Senate postponed action on S. 637 in view of passage of H. R. 4127. Print of H. R. 4127 with the amendment of the Senate.
January 26, 1948	House appointed Conferees.
February 12, 1948	House received the Conference Report. H. Rept. 1370.
February 24, 1948	House agreed to the Conference Report.
February 26, 1948	Senate agreed to the Conference Report.
February 28, 1948	Approved. Public Law 426.

S. 637

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19, 1947

Mr. LANGER (for himself and Mr. CHAVEZ) introduced the following bill; which
was read twice and referred to the Committee on Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (b) of section 1 of the Civil Service
4 Retirement Act of May 29, 1930, as amended, is amended
5 to read as follows:

6 “(b) Any officer or employee to whom this Act applies
7 who shall have attained the age of sixty years and have
8 rendered at least five years of service computed as prescribed
9 in section 5 may voluntarily retire and shall be paid an
10 annuity computed as provided in section 4.”

1 (b) Subsection (d) of such section is amended to read
2 as follows:

3 “(d) Any officer or employee to whom this Act applies
4 who shall have attained the age of fifty years and have
5 rendered at least twenty years of service computed as pre-
6 scribed in section 5 may voluntarily retire, with the approval
7 of the head of the department or agency concerned (or
8 without such approval if the sum of (1) the years of such
9 service and (2) the age of such officer or employee as of
10 the most recent anniversary of the date of his birth, equals
11 eighty or more), and shall be paid an immediate life
12 annuity having a value equal to an annuity computed as
13 provided in section 4 reduced by one-fourth of 1 per centum
14 for each full month such officer or employee is under the
15 age of sixty years.”

16 (c) Subsection (e) of such section is hereby repealed.

17 SEC. 2. The last sentence in section 2 of such Act
18 is amended to read as follows: “Any person whose annuity
19 is terminated under this section or under section 7 (b)
20 shall, upon the termination of his appointment, be entitled
21 to be paid an annuity equal to the annuity he was receiving
22 prior to his reemployment increased by an amount computed
23 as provided in section 4 or section 7 (a), whichever may
24 be applicable, with respect to so much of the service per-
25 formed during such reemployment as, when added to the

1 service upon which the annuity he was receiving prior to
2 such reemployment was based, does not exceed thirty-five
3 years, except that if the employment by reason of which
4 his annuity is terminated is in a position not within the
5 purview of this Act, the annuity shall be resumed in the
6 same amount upon termination of such employment.”

7 SEC. 3. Paragraph (3) of section 3A of such Act is
8 amended by inserting before the period at the end of such
9 paragraph a colon and the following: “*Provided*, That any
10 person who shall have become separated from the service
11 after having had at least six years of service as a Member
12 of Congress and after having attained the age of forty years
13 may elect to receive an immediate annuity beginning (1)
14 at the age of fifty-five or at the date of separation from
15 the service if subsequent to that age, or (2) at the date
16 upon which he makes application therefor, whichever is
17 later, equal to an annuity computed as provided in para-
18 graph 5 reduced by one-fourth of 1 per centum for each
19 full month such person is under the age of 62”.

20 SEC. 4. (a) Subsection (a) of section 4 of such Act
21 is amended to read as follows:

22 “(a) The annuity of an officer or employee retired
23 under subsection (a), (b), or (c) of section 1 shall be
24 a life annuity, terminable upon the death of the annuitant
25 and shall be an amount equal to the following: (1) $1\frac{1}{2}$

1 per centum of the average annual basic salary, pay, or
2 compensation received by the officer or employee during
3 any five consecutive years of allowable service at the
4 option of the employee multiplied by the years of service
5 not exceeding thirty-five, or (2) 1 per centum of the
6 highest average annual basic salary, pay, or compensation
7 received by the officer or employee during five consecutive
8 years of allowable service multiplied by the years of service
9 not exceeding thirty-five, plus a sum equal to \$25 for
10 each year of such service not exceeding thirty-five, but no
11 such annuity shall exceed an amount equal to 90 per
12 centum of the highest average annual basic salary, pay,
13 or compensation received by the officer or employee during
14 five consecutive years of allowable service.”

15 (b) Subsection (b) of such section is hereby repealed.

16 (c) (1) Subsection (d) of such section is amended
17 by striking out “(a) equal to or (b) 50 per centum of”
18 and inserting in lieu thereof the following: “equal to (a)
19 50 per centum or (b) 25 per centum of”.

20 (2) Such subsection is further amended by striking
21 out the proviso at the end thereof.

22 SEC. 5. (a) Such Act is amended by inserting after
23 section 4 thereof a new section as follows:

24 “SEC. 4A. (a) In any case in which an officer or
25 employee to whom this Act applies (other than a person

1 subject to the provisions of section 3A) dies, after having
2 served for a total period of not less than five years and before
3 becoming eligible for retirement, and is survived by a widow
4 or a permanently disabled dependent widower, such widow
5 or widower shall be paid an immediate annuity terminable
6 upon death or remarriage (or upon recovery from disability
7 in the case of a widower) in an amount equal to one-half
8 the amount of an annuity computed as provided in section
9 4 with respect to such officer or employee. For the purpose
10 of such computation an officer or employee who shall have
11 served for a total period of less than fifteen years shall be
12 deemed to have served for a total period of fifteen years.
13 The annuity of a widow or widower under this subsection
14 shall not exceed \$900, except that such annuity shall not
15 be less than the amount of the annuity purchaseable with
16 respect to such widow or widower with the sum to the
17 credit of the officer's or employee's individual account as
18 provided in section 12 (a).

19 “(b) In any case in which an annuitant under section
20 1, section 6, or section 7 of this Act dies and is survived
21 by a widow or a permanently disabled dependent widower,
22 such widow or widower shall be paid an immediate annuity
23 terminable upon death or remarriage (or upon recovery from
24 disability in the case of a widower) in an amount equal to
25 one-half the amount of the annuity which such annuitant

1 was receiving at the time of his death, except that the
2 annuity of a widow or widower under this subsection shall
3 not exceed \$900.

4 “(c) (1) In any case in which an officer or employee
5 to whom this Act applies and who has served for a total
6 period of not less than five years or an annuitant under
7 section 1, section 6, or section 7 of this Act dies and leaves
8 a surviving widow or widower and a surviving child or
9 children, each such child shall be paid an immediate annuity
10 in an amount equal to one-half of the amount of the annuity
11 payable under subsection (a) or subsection (b) to such
12 widow or widower, but not to exceed \$900 divided by the
13 number of such children or \$360, whichever is lesser. Upon
14 the death of such widow or widower the annuity of such
15 child or children shall be recomputed and paid as provided
16 in paragraph (2).

17 “(2) In any case in which such officer, employee, or
18 annuitant dies and leaves no surviving widow or widower but
19 leaves a surviving child or children, each such child shall
20 be paid an immediate annuity in an amount equal to the
21 amount of the annuity which would have been payable under
22 subsection (a) or subsection (b) had such officer, employee,
23 or annuitant been survived by a widow or widower, but not
24 to exceed \$1,200 divided by the number of such children
25 or \$480, whichever is lesser.

1 “(3) The annuity payable to a child under this sub-
2 section shall be terminable upon (A) his attaining the age
3 of eighteen years, (B) his marriage, or (C) his death,
4 whichever first occurs, except that if such child is incapable
5 of self-support by reason of mental or physical disability his
6 annuity shall be terminable only upon death, marriage, or
7 recovery from such disability.

8 “(4) In any case in which the annuity of a child,
9 under this subsection, is terminated, the annuities of any
10 other child or children, based upon the service of the same
11 officer, employee, or annuitant, shall be recomputed and paid
12 as though the child whose annuity was so terminated had not
13 survived such officer, employee, or annuitant.

14 “(d) In any case in which an officer or employee to
15 whom this Act applies and who has served for a total period
16 of not less than five years or an annuitant under section 1,
17 section 6, or section 7 of this Act dies and is survived by a
18 dependent parent and is not survived by widow, widower, or
19 child entitled to an annuity under the foregoing provisions of
20 this section, such dependent parent shall be paid an imme-
21 diate annuity terminable upon death in an amount equal to
22 the amount of an annuity payable under subsection (a) or
23 subsection (b), as the case may be. If two dependent par-
24 ents survive such officer, employee, or annuitant, the annuity
25 payable under this subsection shall be paid to such parents in

1 equal shares, and upon the death of one such parent his share
2 shall be paid to the survivor.

3 “(e) As used in this subsection—

4 “(1) The term ‘widow’ means a surviving wife of an
5 individual, who either (A) shall have been married to such
6 individual for at least five years immediately preceding his
7 retirement under this Act, (B) shall have been married to
8 such individual for at least five years immediately preceding
9 his death, and if such individual is an annuitant under this Act
10 at the time of his death, is not more than ten years younger
11 than such individual, or (C) is the mother of issue by such
12 marriage.

13 “(2) The term ‘permanently disabled dependent wid-
14 ower’ means a surviving husband of an individual, who shall
15 have been married to such individual for at least five years
16 immediately preceding her retirement under this Act or
17 five years immediately preceding her death if she died before
18 becoming eligible for retirement, who is incapable because
19 of permanent physical or mental disability of supporting
20 himself, and who was wholly dependent upon and supported
21 by such individual at the time of such individual’s death.

22 “(3) The term ‘child’ means an unmarried child under
23 the age of eighteen, or an unmarried child who because of

1 physical or mental disability is incapable of self-support,
2 but does not include a stepchild or an adopted child.

3 “(4) The term ‘dependent parent’ means the mother
4 or father of an individual who, at the time of the death of
5 such individual, was wholly dependent upon and supported
6 by such individual, but does not include a stepmother or
7 stepfather or a mother or father by adoption.

8 “(f) Questions of dependency and disability arising
9 under this section shall be determined by the Civil Service
10 Commission and its decisions with respect to such matters
11 shall be final and conclusive and shall not be subject to
12 review. The Commission may order or direct at any time
13 such medical or other examinations as it shall deem neces-
14 sary to determine the facts relative to the nature and degree
15 of disability of any annuitant or applicant for annuity under
16 this section, and may suspend or deny any such annuity
17 for failure to submit to any such examination.

18 “(g) The annuity payable to an individual under this
19 section shall be in addition to and not in lieu of any annuity
20 to which such individual may be entitled as a result of an
21 election made by an officer or employee pursuant to section
22 4 (d).

1 “(h) In any case in which an individual is eligible
2 for an annuity under this subsection and is also eligible for
3 an annuity under section 1, section 6, or section 7, such
4 individual shall be required to elect which of such annuities
5 he is to receive.”

6 (b) (1) Subsection (c) of section 12 of such Act is
7 amended to read as follows:

8 “(c) In case (1) an annuitant under section 1, sec-
9 tion 6, or section 7 shall die without having received in
10 annuities purchasable with the sum to the credit of the
11 employee's individual account an amount equal to the total
12 amount to his credit at the time of his retirement, or (2)
13 the annuity of an annuitant under subsection (a) of section
14 4A shall terminate before he and any other persons who shall
15 have received an annuity based upon the service of the
16 employee shall have received in annuities an aggregate
17 amount equal to the amount to the credit of such employee's
18 individual account as of the date of such employee's death
19 and no other person is entitled to an annuity based upon
20 such service, the amount remaining to credit of such em-
21 ployee and any accrued annuity shall be paid, upon the
22 establishment of a valid claim therefor, in the following
23 order of precedence:

24 “First, to the beneficiary or beneficiaries designated in

1 writing by such employee and recorded on his individual
2 account;

3 "Second, if there be no such beneficiary, to the duly
4 appointed executor or administrator of the estate of such
5 employee;

6 "Third, if there be no such beneficiary, or executor or
7 administrator, payment may be made, after the expiration
8 of thirty days from the date of the death of such annuitant,
9 to such person or persons as may appear, in the judgment of
10 the Civil Service Commission to be legally entitled thereto,
11 and such payment shall be a bar to recovery by any other
12 person.

13 "In any case in which an annuitant under section 1 or
14 section 7 has elected to receive an increased annuity as
15 provided in section 4 of this Act, the amount to be paid
16 under the provisions of this subsection shall be only the
17 accrued annuity."

18 (2) So much of subsection (d) of such section as
19 precedes the colon therein is amended to read as follows:

20 "(d) In case an employee shall die without having
21 attained eligibility for retirement or without having estab-
22 lished a valid claim for annuity, and in case no other person
23 has established a valid claim for an annuity based upon the
24 service of such employee, the total amount of his deductions

1 with interest thereon shall be paid upon the establishment
2 of a valid claim therefor, in the following order of
3 precedence”.

4 (c) In any case in which the widow of an annuitant
5 who died prior to the date of enactment of this Act would
6 be eligible for an annuity under the provisions of subsection
7 (b) of section 4A of the Civil Service Retirement Act of
8 May 29, 1930, as amended, if such annuitant had died on
9 the date of enactment of this Act, such annuitant shall be
10 deemed for the purposes of such section to have died on
11 such date.

12 SEC. 6. (a) Section 6 of such Act is amended by in-
13 serting after the colon preceding the first proviso in such
14 section the following: “*Provided*, That any such person who
15 shall have served for a total period of less than fifteen years
16 shall be considered, for the purposes of such computation,
17 to have served for a total period of fifteen years.”

18 (b) Such section is further amended by inserting after
19 the second paragraph thereof a new paragraph as follows:

20 “A recovered disability annuitant (other than a person
21 who at the time of retirement held an office or position in
22 the legislative branch of the Government or an office to
23 which he was appointed by the President by and with the
24 advice and consent of the Senate) shall, upon application
25 therefor filed within one year from the date of the medical

1 examination showing such recovery, be restored to the posi-
2 tion he occupied at the time of retirement or to a position
3 of like seniority, status, and pay.”

4 SEC. 7. Subsections (a) and (b) of section 7 of such
5 Act are amended to read as follows:

6 “(a) Should any officer or employee to whom this Act
7 applies become separated from the service after having
8 served for a total period of not less than five years and before
9 becoming eligible for retirement, such officer or employee
10 shall be paid an annuity beginning at the age of sixty years
11 (or at age of separation if subsequent to age sixty) com-
12 puted as provided in section 4, except that any such officer
13 or employee involuntarily separated from the service not
14 by removal for cause on charges of misconduct or delinquency
15 after having attained the age of forty years may elect to
16 receive an annuity beginning (1) at the age of fifty-five
17 or at the date of separation from the service if subsequent
18 to that age, or (2) at the date upon which he makes ap-
19 plication therefor, whichever is later, in an amount equal to
20 the amount of an annuity computed as provided in section 4
21 reduced by one-fourth of 1 per centum for each full month
22 such officer or employee is under the age of sixty.

23 “(b) Should an annuitant under the provisions of this
24 section become reemployed in a position in the service of
25 the United States or the District of Columbia his annuity

1 shall terminate and any right to an immediate or deferred
2 annuity shall cease as of the date of such reemployment."

3 SEC. 8. (a) Section 9 of such Act is amended by strik-
4 ing out "on and after July 1, 1942," and inserting in lieu
5 thereof the following: "after June 30, 1942, and prior to
6 January 1, 1948, and also 6 per centum of such basic salary,
7 pay, or compensation for services rendered after December
8 31, 1947,".

9 (b) The first sentence in section 10 of such Act is
10 amended to read as follows: "There shall be deducted and
11 withheld from the basic salary, pay, or compensation of
12 each officer and employee to whom this Act applies a sum
13 equal to 6 per centum of such officer's or employee's basic
14 salary, pay, or compensation."

15 (c) The amendment made by subsection (b) shall be-
16 come effective on January 1, 1948.

17 SEC. 9. (a) Section 9 of such Act is further amended
18 by striking out " , less \$1 for each month, or major fraction
19 thereof, of service after the effective date of this Act,".

20 (b) Subsection (a) of section 12 of such Act is amended
21 by striking out " , less the sum of \$1 per month or major
22 fraction thereof,".

23 (c) The amendments made by this section shall become
24 effective on January 1, 1948.

1 SEC. 10. Subsection (b) of section 12 is amended to
2 read as follows:

3 “(b) (1) In the case of any officer or employee to
4 whom this Act applies who is transferred to a position
5 not within the purview of this Act, or who becomes abso-
6 lutely separated from the service, before he shall have
7 completed an aggregate of five years of service computed
8 in accordance with section 5 of this Act, the amount of
9 deductions from his basic salary, pay, or compensation
10 credited to his account, together with interest at 4 per
11 centum per annum compounded on December 31 of each
12 year shall be returned to such officer or employee; except
13 that if such separation from the service is involuntary
14 and not by removal for cause on charges of misconduct
15 or delinquency the total amount of deductions from his
16 basic salary, pay, or compensation with interest at 4 per
17 centum compounded on December 31 of each year shall
18 be returned to such officer or employee: *Provided*, That
19 no such interest shall be allowed on the amounts so returned
20 unless the period of service covered thereby aggregates
21 more than two years.

22 “(2) In the case of any officer or employee to whom
23 this Act applies who, after completing five or more years
24 of service computed in accordance with section 5 of this

1 Act and prior to attaining the age of fifty years, is trans-
2 ferred to a position not within the purview of this Act or
3 becomes absolutely separated from the service, the amount
4 of deductions from his basic salary, pay, or compensation
5 credited to his account, together with interest at the rate of
6 4 per centum per annum compounded on December 31 of
7 each year shall, upon application therefor filed within two
8 years after such separation or transfer, be returned to such
9 officer or employee; except that if such separation from the
10 service is involuntary and not by removal for cause on
11 charges of misconduct or delinquency the total amount of
12 deductions from his basic salary, pay, or compensation with
13 interest at 4 per centum compounded on December 31 of
14 each year shall, upon application therefor filed within two
15 years after such separation, be returned to such officer or
16 employee.

17 “(3) No officer or employee who receives a return of
18 deductions under this section shall thereafter become eli-
19 gible for an annuity under this Act unless he (A) is re-
20 employed for a period of at least five years in a position
21 within the purview of this Act, and (B) redeposits the
22 amounts so returned with interest at 4 per centum com-
23 pounded on December 31 of each year, but such interest
24 shall not be required with respect to any period of separa-
25 tion from the service.

1 “(4) In computing interest under this subsection, a
2 fractional part of a month in the total service of an officer
3 or employee shall be disregarded.”

4 SEC. 11. The annuities of all persons retired prior to
5 the date of enactment of this Act under the provisions of
6 the Act entitled “An Act for the retirement of employees
7 in the classified civil service, and for other purposes”,
8 approved May 22, 1920, as amended, or of the Civil Service
9 Retirement Act of May 29, 1930, as amended, except a
10 person retired under the provisions of section 3A of such
11 Act of May 29, 1930, as amended, shall be increased,
12 effective on the first day of the first month which begins
13 after such date, by 25 per centum, or \$300, whichever is
14 the lesser.

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. LANGER and Mr. CHAVEZ

FEBRUARY 19, 1947

Read twice and referred to the Committee on
Civil Service

80TH CONGRESS
1ST SESSION

H. R. 2407

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1947

Mr. MILLER of California introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (b) of section 1 of the Civil Service
4 Retirement Act of May 29, 1930, as amended, is amended
5 to read as follows:

6 “(b) Any officer or employee to whom this Act applies
7 who shall have attained the age of sixty years and have
8 rendered at least five years of service computed as prescribed
9 in section 5 may voluntarily retire and shall be paid an
10 annuity computed as provided in section 4.”

1 (b) Subsection (d) of such section is amended to read
2 as follows:

3 “(d) Any officer or employee to whom this Act applies
4 who shall have attained the age of fifty years and have
5 rendered at least twenty years of service computed as pre-
6 scribed in section 5 may voluntarily retire, with the approval
7 of the head of the department or agency concerned (or
8 without such approval if the sum of (1) the years of such
9 service and (2) the age of such officer or employee as of
10 the most recent anniversary of the date of his birth, equals
11 eighty or more), and shall be paid an immediate life annuity
12 having a value equal to an annuity computed as provided in
13 section 4 reduced by one-fourth of 1 per centum for each full
14 month such officer or employee is under the age of sixty
15 years.”

16 (c) Subsection (e) of such section is hereby repealed.

17 SEC. 2. The last sentence in section 2 of such Act is
18 amended to read as follows: “Any person whose annuity is
19 terminated under this section or under section 7 (b) shall,
20 upon the termination of his appointment, be entitled to be
21 paid an annuity equal to the annuity he was receiving prior
22 to his reemployment increased by an amount computed as
23 provided in section 4 or section 7 (a), whichever may be
24 applicable, with respect to so much of the service performed
25 during such reemployment as, when added to the service

1 upon which the annuity he was receiving prior to such
2 reemployment was based, does not exceed thirty-five years,
3 except that if the employment by reason of which his annuity
4 is terminated is in a position not within the purview of this
5 Act, the annuity shall be resumed in the same amount upon
6 termination of such employment.”

7 SEC. 3. Paragraph (3) of section 3A of such Act is
8 amended by inserting before the period at the end of such
9 paragraph a colon and the following: “*Provided*, That any
10 person who shall have become separated from the service
11 after having had at least six years of service as a Member
12 of Congress and after having attained the age of forty years
13 may elect to receive an immediate annuity beginning (1)
14 at the age of fifty-five or at the date of separation from
15 the service if subsequent to that age, or (2) at the date
16 upon which he makes application therefor, whichever is
17 later, equal to an annuity computed as provided in para-
18 graph 5 reduced by one-fourth of 1 per centum for each
19 full month such person is under the age of 62”.

20 SEC. 4. (a) Subsection (a) of section 4 of such Act
21 is amended to read as follows:

22 “(a) The annuity of an officer or employee retired
23 under subsection (a), (b), or (c) of section 1 shall be
24 a life annuity, terminable upon the death of the annuitant
25 and shall be an amount equal to the following: (1) $1\frac{1}{2}$

1 per centum of the average annual basic salary, pay, or
2 compensation received by the officer or employee during
3 any five consecutive years of allowable service at the option
4 of the employee multiplied by the years of service not ex-
5 ceeding thirty-five, or (2) 1 per centum of the highest
6 average annual basic salary, pay, or compensation received
7 by the officer or employee during five consecutive years of
8 allowable service multiplied by the years of service not
9 exceeding thirty-five, plus a sum equal to \$25 for each
10 year of such service not exceeding thirty-five, but no such
11 annuity shall exceed an amount equal to 90 per centum
12 of the highest average annual basic salary, pay, or compen-
13 sation received by the officer or employee during five con-
14 secutive years of allowable service.”

15 (b) Subsection (b) of such section is hereby repealed.

16 (c) (1) Subsection (d) of such section is amended
17 by striking out “(a) equal to or (b) 50 per centum of”
18 and inserting in lieu thereof the following: “equal to (a)
19 50 per centum or (b) 25 per centum of”.

20 (2) Such subsection is further amended by striking out
21 the proviso at the end thereof.

22 SEC. 5. (a) Such Act is amended by inserting after
23 section 4 thereof a new section as follows:

24 “SEC. 4A. (a) In any case in which an officer or
25 employee to whom this Act applies (other than a person

1 subject to the provisions of section 3A) dies, after having
2 served for a total period of not less than five years and before
3 becoming eligible for retirement, and is survived by a widow
4 or a permanently disabled dependent widower, such widow
5 or widower shall be paid an immediate annuity terminable
6 upon death or remarriage (or upon recovery from disability
7 in the case of a widower) in an amount equal to one-half
8 the amount of an annuity computed as provided in section
9 4 with respect to such officer or employee. For the purpose
10 of such computation an officer or employee who shall have
11 served for a total period of less than fifteen years shall be
12 deemed to have served for a total period of fifteen years.
13 The annuity of a widow or widower under this subsection
14 shall not exceed \$900, except that such annuity shall not
15 be less than the amount of the annuity purchasable with
16 respect to such widow or widower with the sum to the
17 credit of the officer's or employee's individual account as
18 provided in section 12 (a).

19 “(b) In any case in which an annuitant under section
20 1, section 6, or section 7 of this Act dies and is survived
21 by a widow or a permanently disabled dependent widower,
22 such widow or widower shall be paid an immediate annuity
23 terminable upon death or remarriage (or upon recovery from
24 disability in the case of a widower) in an amount equal to
25 one-half the amount of the annuity which such annuitant

1 was receiving at the time of his death, except that the annuity
2 of a widow or widower under this subsection shall not
3 exceed \$900.

4 “(c) (1) In any case in which an officer or employee
5 to whom this Act applies and who has served for a total
6 period of not less than five years or an annuitant under
7 section 1, section 6, or section 7 of this Act dies and leaves
8 a surviving widow or widower and a surviving child or
9 children, each such child shall be paid an immediate annuity
10 in an amount equal to one-half of the amount of the annuity
11 payable under subsection (a) or subsection (b) to such
12 widow or widower, but not to exceed \$900 divided by the
13 number of such children or \$360, whichever is lesser.
14 Upon the death of such widow or widower the annuity of
15 such child or children shall be recomputed and paid as
16 provided in paragraph (2).

17 “(2) In any case in which such officer, employee, or
18 annuitant dies and leaves no surviving widow or widower
19 but leaves a surviving child or children, each such child
20 shall be paid an immediate annuity in an amount equal to
21 the amount of the annuity which would have been payable
22 under subsection (a) or subsection (b) had such officer,
23 employee, or annuitant been survived by a widow or
24 widower, but not to exceed \$1,200 divided by the number
25 of such children or \$480, whichever is lesser.

1 “(3) The annuity payable to a child under this sub-
2 section shall be terminable upon (A) his attaining the age
3 of eighteen years, (B) his marriage, or (C) his death,
4 whichever first occurs, except that if such child is incapable
5 of self-support by reason of mental or physical disability his
6 annuity shall be terminable only upon death, marriage, or
7 recovery from such disability.

8 “(4) In any case in which the annuity of a child,
9 under this subsection, is terminated, the annuities of any
10 other child or children, based upon the service of the same
11 officer, employee, or annuitant, shall be recomputed and paid
12 as though the child whose annuity was so terminated had not
13 survived such officer, employee, or annuitant.

14 “(d) In any case in which an officer or employee to
15 whom this Act applies and who has served for a total period
16 of not less than five years or an annuitant under section 1,
17 section 6, or section 7 of this Act dies and is survived by a
18 dependent parent and is not survived by widow, widower, or
19 child entitled to an annuity under the foregoing provisions of
20 this section, such dependent parent shall be paid an imme-
21 diate annuity terminable upon death in an amount equal to
22 the amount of an annuity payable under subsection (a) or
23 subsection (b), as the case may be. If two dependent par-
24 ents survive such officer, employee, or annuitant, the annuity
25 payable under this subsection shall be paid to such parents in

1 equal shares, and upon the death of one such parent his
2 share shall be paid to the survivor.

3 “(e) As used in this subsection—

4 “(1) The term ‘widow’ means a surviving wife of an
5 individual, who either (A) shall have been married to such
6 individual for at least five years immediately preceding his
7 retirement under this Act, (B) shall have been married to
8 such individual for at least five years immediately preceding
9 his death, and if such individual is an annuitant under this
10 Act at the time of his death, is not more than ten years
11 younger than such individual, or (C) is the mother of issue
12 by such marriage.

13 “(2) The term ‘permanently disabled dependent
14 widower’ means a surviving husband of an individual, who
15 shall have been married to such individual for at least five
16 years immediately preceding her retirement under this Act
17 or five years immediately preceding her death if she died
18 before becoming eligible for retirement, who is incapable
19 because of permanent physical or mental disability of sup-
20 porting himself, and who was wholly dependent upon and
21 supported by such individual at the time of such individual’s
22 death.

23 “(3) The term ‘child’ means an unmarried child under
24 the age of eighteen, or an unmarried child who because of

1 physical or mental disability is incapable of self-support,
2 but does not include a stepchild or an adopted child.

3 “(4) The term ‘dependent parent’ means the mother
4 or father of an individual who, at the time of the death of
5 such individual, was wholly dependent upon and supported
6 by such individual, but does not include a stepmother or
7 stepfather or a mother or father by adoption.

8 “(f) Questions of dependency and disability arising
9 under this section shall be determined by the Civil Service
10 Commission and its decisions with respect to such matters
11 shall be final and conclusive and shall not be subject to
12 review. The Commission may order or direct at any time
13 such medical or other examinations as it shall deem neces-
14 sary to determine the facts relative to the nature and degree
15 of disability of any annuitant or applicant for annuity under
16 this section, and may suspend or deny any such annuity
17 for failure to submit to any such examination.

18 “(g) The annuity payable to an individual under this
19 section shall be in addition to and not in lieu of any annuity
20 to which such individual may be entitled as a result of an
21 election made by an officer or employee pursuant to section
22 4 (d).

23 “(h) In any case in which an individual is eligible

1 for an annuity under this subsection and is also eligible for
2 an annuity under section 1, section 6, or section 7, such
3 individual shall be required to elect which of such annuities
4 he is to receive.”

5 (b) (1) Subsection (c) of section 12 of such Act
6 is amended to read as follows:

7 “(c) In case (1) an annuitant under section 1, sec-
8 tion 6, or section 7 shall die without having received in
9 annuities purchasable with the sum to the credit of the
10 employee’s individual account an amount equal to the total
11 amount to his credit at the time of his retirement, or (2)
12 the annuity of an annuitant under subsection (2) of section
13 4A shall terminate before he and any other persons who
14 shall have received an annuity based upon the service of
15 the employee shall have received in annuities an aggregate
16 amount equal to the amount to the credit of such employee’s
17 individual account as of the date of such employee’s death
18 and no other person is entitled to an annuity based upon
19 such service, the amount remaining to credit of such em-
20 ployee and any accrued annuity shall be paid, upon the
21 establishment of a valid claim therefor, in the following
22 order of precedence:

23 “First, to the beneficiary or beneficiaries designated
24 in writing by such employee and recorded on his individual
25 account;

1 “Second, if there be no such beneficiary, to the duly
2 appointed executor or administrator of the estate of such
3 employee;

4 “Third, if there be no such beneficiary, or executor or
5 administrator, payment may be made, after the expiration
6 of thirty days from the date of the death of such annuitant,
7 to such person or persons as may appear, in the judgment of
8 the Civil Service Commission to be legally entitled thereto,
9 and such payment shall be a bar to recovery by any other
10 person.

11 “In any case in which an annuitant under section 1 or
12 section 7 has elected to receive an increased annuity as
13 provided in section 4 of this Act, the amount to be paid
14 under the provisions of this subsection shall be only the
15 accrued annuity.”

16 (2) So much of subsection (d) of such section as
17 precedes the colon therein is amended to read as follows:

18 “(d) In case an employee shall die without having
19 attained eligibility for retirement or without having estab-
20 lished a valid claim for annuity, and in case no other person
21 has established a valid claim for an annuity based upon the
22 service of such employee, the total amount of his deductions
23 with interest thereon shall be paid upon the establishment
24 of a valid claim therefor, in the following order of pre-
25 cedence.”

1 (c) In any case in which the widow of an annuitant
2 who died prior to the date of enactment of this Act would
3 be eligible for an annuity under the provisions of subsection
4 (b) of section 4A of the Civil Service Retirement Act of
5 May 29, 1930, as amended, if such annuitant had died on
6 the date of enactment of this Act, such annuitant shall be
7 deemed for the purposes of such section to have died on
8 such date.

9 SEC. 6. (a) Section 6 of such Act is amended by in-
10 serting after the colon preceding the first proviso in such
11 section the following: "*Provided*, That any such person
12 who shall have served for a total period of less than fifteen
13 years shall be considered, for the purposes of such com-
14 putation, to have served for a total period of fifteen years."

15 (b) Such section is further amended by inserting after
16 the second paragraph thereof a new paragraph as follows:

17 "A recovered disability annuitant (other than a person
18 who at the time of retirement held an office or position in
19 the legislative branch of the Government or an office to
20 which he was appointed by the President by and with the
21 advice and consent of the Senate) shall, upon application
22 therefor filed within one year from the date of the medical
23 examination showing such recovery, be restored to the posi-
24 tion he occupied at the time of retirement or to a position
25 of like seniority, status, and pay."

1 SEC. 7. Subsections (a) and (b) of section 7 of such
2 Act are amended to read as follows:

3 “(a) Should any officer or employee to whom this Act
4 applies become separated from the service after having
5 served for a total period of not less than five years and before
6 becoming eligible for retirement, such officer or employee
7 shall be paid an annuity beginning at the age of sixty years
8 (or at age of separation if subsequent to age sixty) com-
9 puted as provided in section 4, except that any such officer
10 or employee involuntarily separated from the service not
11 by removal for cause on charges of misconduct or delinquency
12 after having attained the age of forty years may elect to
13 receive an annuity beginning (1) at the age of fifty-five
14 or at the date of separation from the service if subsequent
15 to that age, or (2) at the date upon which he makes ap-
16 plication therefor, whichever is later, in an amount equal to
17 the amount of an annuity computed as provided in section 4
18 reduced by one-fourth of 1 per centum for each full month
19 such officer or employee is under the age of sixty.

20 “(b) Should an annuitant under the provisions of this
21 section become reemployed in a position in the service of
22 the United States or the District of Columbia his annuity
23 shall terminate and any right to an immediate or deferred
24 annuity shall cease as of the date of such reemployment.”

25 SEC. 8. (a) Section 9 of such Act is amended by strik-

1 ing out “on and after July 1, 1942,” and inserting in lieu
2 thereof the following: “after June 30, 1942, and prior to
3 January 1, 1948, and also 6 per centum of such basic salary,
4 pay, or compensation for services rendered after December
5 31, 1947,”.

6 (b) The first sentence in section 10 of such Act is
7 amended to read as follows: “There shall be deducted and
8 withheld from the basic salary, pay, or compensation of each
9 officer and employee to whom this Act applies a sum equal
10 to 6 per centum of such officer’s or employee’s basic salary,
11 pay, or compensation.”

12 (c) The amendment made by subsection (b) shall
13 become effective on January 1, 1948.

14 SEC. 9. (a) Section 9 of such Act is further amended
15 by striking out “, less \$1 for each month, or major fraction
16 thereof, of service after the effective date of this Act,”.

17 (b) Subsection (a) of section 12 of such Act is amended
18 by striking out “, less the sum of \$1 per month or major
19 fraction thereof,”.

20 (c) The amendments made by this section shall become
21 effective on January 1, 1948.

22 SEC. 10. Subsection (b) of section 12 is amended to
23 read as follows:

24 “(b) (1) In the case of any officer or employee to
25 whom this Act applies who is transferred to a position

1 not within the purview of this Act, or who becomes abso-
2 lutely separated from the service, before he shall have
3 completed an aggregate of five years of service computed
4 in accordance with section 5 of this Act, the amount of
5 deductions from his basic salary, pay, or compensation
6 credited to his account, together with interest at 4 per
7 centum per annum compounded on December 31 of each
8 year shall be returned to such officer or employee; except
9 that if such separation from the service is involuntary
10 and not by removal for cause on charges of misconduct
11 or delinquency the total amount of deductions from his
12 basic salary, pay, or compensation with interest at 4 per
13 centum compounded on December 31 of each year shall
14 be returned to such officer or employee: *Provided*, That
15 no such interest shall be allowed on the amounts so returned
16 unless the period of service covered thereby aggregates
17 more than two years.

18 “(2) In the case of any officer or employee to whom
19 this Act applies who, after completing five or more years
20 of service computed in accordance with section 5 of this
21 Act and prior to attaining the age of fifty years, is trans-
22 ferred to a position not within the purview of this Act or
23 becomes absolutely separated from the service, the amount
24 of deductions from his basic salary, pay, or compensation
25 credited to his account, together with interest at the rate

1 of 4 per centum per annum compounded on December 31
2 of each year shall, upon application therefor filed within
3 two years after such separation or transfer, be returned
4 to such officer or employee; except that if such separation
5 from the service is involuntary and not by removal for
6 cause on charges of misconduct or delinquency the total
7 amount of deductions from his basic salary, pay, or compen-
8 sation with interest at 4 per centum compounded on De-
9 cember 31 of each year shall, upon application therefor
10 filed within two years after such separation, be returned
11 to such officer or employee.

12 “(3) No officer or employee who receives a return
13 of deductions under this section shall thereafter become eli-
14 gible for an annuity under this Act unless he (A) is re-
15 employed for a period of at least five years in a position
16 within the purview of this Act, and (B) redeposits the
17 amounts so returned with interest at 4 per centum com-
18 pounded on December 31 of each year, but such interest
19 shall not be required with respect to any period of separa-
20 tion from the service.

21 “(4) In computing interest under this subsection, a
22 fractional part of a month in the total service of an officer
23 or employee shall be disregarded.”

24 SEC. 11. The annuities of all persons retired prior to
25 the date of enactment of this Act under the provisions of

1 the Act entitled "An Act for the retirement of employees
2 in the classified civil service, and for other purposes",
3 approved May 22, 1920, as amended, or of the Civil Service
4 Retirement Act of May 29, 1930, as amended, except a
5 person retired under the provisions of section 3A of such
6 Act of May 29, 1930, as amended, shall be increased,
7 effective on the first day of the first month which begins
8 after such date, by 25 per centum, or \$300, whichever is
9 the lesser.

80TH CONGRESS
1ST SESSION

H. R. 2407

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. MULLER of California

MARCH 6, 1947

Referred to the Committee on Post Office and Civil
Service

80TH CONGRESS
1ST SESSION

H. R. 2462

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1947

Mr. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (b) of section 1 of the Civil Service
4 Retirement Act of May 29, 1930, as amended, is amended
5 to read as follows:

6 “(b) Any officer or employee to whom this Act applies
7 who shall have attained the age of sixty years and have
8 rendered at least five years of service computed as prescribed
9 in section 5 may voluntarily retire and shall be paid an
10 annuity computed as provided in section 4.”

1 (b) Subsection (d) of such section is amended to read
2 as follows:

3 “(d) Any officer or employee to whom this Act applies
4 who shall have attained the age of fifty years and have
5 rendered at least twenty years of service computed as pre-
6 scribed in section 5 may voluntarily retire, with the approval
7 of the head of the department or agency concerned (or
8 without such approval if the sum of (1) the years of such
9 service and (2) the age of such officer or employee as of
10 the most recent anniversary of the date of his birth, equals
11 eighty or more), and shall be paid an immediate life
12 annuity having a value equal to an annuity computed as
13 provided in section 4 reduced by one-fourth of 1 per centum
14 for each full month such officer or employee is under the
15 age of sixty years.”

16 (c) Subsection (e) of such section is hereby repealed.

17 SEC. 2. The last sentence in section 2 of such Act
18 is amended to read as follows: “Any person whose annuity
19 is terminated under this section or under section 7 (b)
20 shall, upon the termination of his appointment, be entitled
21 to be paid an annuity equal to the annuity he was receiving
22 prior to his reemployment increased by an amount computed
23 as provided in section 4 or section 7 (a), whichever may
24 be applicable, with respect to so much of the service per-
25 formed during such reemployment as, when added to the

1 service upon which the annuity he was receiving prior to
2 such reemployment was based, does not exceed thirty-five
3 years, except that if the employment by reason of which
4 his annuity is terminated is in a position not within the
5 purview of this Act, the annuity shall be resumed in the
6 same amount upon termination of such employment.”

7 SEC. 3. Paragraph (3) of section 3A of such Act is
8 amended by inserting before the period at the end of such
9 paragraph a colon and the following: “*Provided*, That any
10 person who shall have become separated from the service
11 after having had at least six years of service as a Member
12 of Congress and after having attained the age of forty years
13 may elect to receive an immediate annuity beginning (1)
14 at the age of fifty-five or at the date of separation from
15 the service if subsequent to that age, or (2) at the date
16 upon which he makes application therefor, whichever is
17 later, equal to an annuity computed as provided in para-
18 graph 5 reduced by one-fourth of 1 per centum for each
19 full month such person is under the age of 62”.

20 SEC. 4. (a) Subsection (a) of section 4 of such Act
21 is amended to read as follows:

22 “(a) The annuity of an officer or employee retired
23 under subsection (a), (b), or (c) of section 1 shall be
24 a life annuity, terminable upon the death of the annuitant
25 and shall be an amount equal to the following: (1) $1\frac{1}{2}$

1 per centum of the average annual basic salary, pay, or
2 compensation received by the officer or employee during
3 any five consecutive years of allowable service at the
4 option of the employee multiplied by the years of service
5 not exceeding thirty-five, or (2) 1 per centum of the
6 highest average annual basic salary, pay, or compensation
7 received by the officer or employee during five consecutive
8 years of allowable service multiplied by the years of service
9 not exceeding thirty-five, plus a sum equal to \$25 for
10 each year of such service not exceeding thirty-five, but no
11 such annuity shall exceed an amount equal to 90 per
12 centum of the highest average annual basic salary, pay,
13 or compensation received by the officer or employee during
14 five consecutive years of allowable service.”

15 (b) Subsection (b) of such section is hereby repealed.

16 (c) (1) Subsection (d) of such section is amended
17 by striking out “(a) equal to or (b) 50 per centum of”
18 and inserting in lieu thereof the following: “equal to (a)
19 50 per centum or (b) 25 per centum of”.

20 (2) Such subsection is further amended by striking
21 out the proviso at the end thereof.

22 SEC. 5. (a) Such Act is amended by inserting after
23 section 4 thereof a new section as follows:

24 “SEC. 4A. (a) In any case in which an officer or
25 employee to whom this Act applies (other than a person

1 subject to the provisions of section 3A) dies, after having
2 served for a total period of not less than five years and before
3 becoming eligible for retirement, and is survived by a widow
4 or a permanently disabled dependent widower, such widow
5 or widower shall be paid an immediate annuity terminable
6 upon death or remarriage (or upon recovery from disability
7 in the case of a widower) in an amount equal to one-half
8 the amount of an annuity computed as provided in section
9 4 with respect to such officer or employee. For the purpose
10 of such computation an officer or employee who shall have
11 served for a total period of less than fifteen years shall be
12 deemed to have served for a total period of fifteen years.
13 The annuity of a widow or widower under this subsection
14 shall not exceed \$900, except that such annuity shall not
15 be less than the amount of the annuity purchaseable with
16 respect to such widow or widower with the sum to the
17 credit of the officer's or employee's individual account as
18 provided in section 12 (a).

19 “(b) In any case in which an annuitant under section
20 1, section 6, or section 7 of this Act dies and is survived
21 by a widow or a permanently disabled dependent widower,
22 such widow or widower shall be paid an immediate annuity
23 terminable upon death or remarriage (or upon recovery from
24 disability in the case of a widower) in an amount equal to
25 one-half the amount of the annuity which such annuitant

1 was receiving at the time of his death, except that the
2 annuity of a widow or widower under this subsection shall
3 not exceed \$900.

4 “(c) (1) In any case in which an officer or employee
5 to whom this Act applies and who has served for a total
6 period of not less than five years or an annuitant under
7 section 1, section 6, or section 7 of this Act dies and leaves
8 a surviving widow or widower and a surviving child or
9 children, each such child shall be paid an immediate annuity
10 in an amount equal to one-half of the amount of the annuity
11 payable under subsection (a) or subsection (b) to such
12 widow or widower, but not to exceed \$900 divided by the
13 number of such children or \$360, whichever is lesser. Upon
14 the death of such widow or widower the annuity of such
15 child or children shall be recomputed and paid as provided
16 in paragraph (2).

17 “(2) In any case in which such officer, employee, or
18 annuitant dies and leaves no surviving widow or widower but
19 leaves a surviving child or children, each such child shall
20 be paid an immediate annuity in an amount equal to the
21 amount of the annuity which would have been payable under
22 subsection (a) or subsection (b) had such officer, employee,
23 or annuitant been survived by a widow or widower, but not
24 to exceed \$1,200 divided by the number of such children
25 or \$480, whichever is lesser.

1 “(3) The annuity payable to a child under this sub-
2 section shall be terminable upon (A) his attaining the age
3 of eighteen years, (B) his marriage, or (C) his death,
4 whichever first occurs, except that if such child is incapable
5 of self-support by reason of mental or physical disability his
6 annuity shall be terminable only upon death, marriage, or
7 recovery from such disability.

8 “(4) In any case in which the annuity of a child,
9 under this subsection, is terminated, the annuities of any
10 other child or children, based upon the service of the same
11 officer, employee, or annuitant, shall be recomputed and paid
12 as though the child whose annuity was so terminated had not
13 survived such officer, employee, or annuitant.

14 “(d) In any case in which an officer or employee to
15 whom this Act applies and who has served for a total period
16 of not less than five years or an annuitant under section 1,
17 section 6, or section 7 of this Act dies and is survived by a
18 dependent parent and is not survived by widow, widower, or
19 child entitled to an annuity under the foregoing provisions of
20 this section, such dependent parent shall be paid an imme-
21 diate annuity terminable upon death in an amount equal to
22 the amount of an annuity payable under subsection (a) or
23 subsection (b), as the case may be. If two dependent par-
24 ents survive such officer, employee, or annuitant, the annuity
25 payable under this subsection shall be paid to such parents in

1 equal shares, and upon the death of one such parent his share
2 shall be paid to the survivor.

3 “(e) As used in this subsection—

4 “(1) The term ‘widow’ means a surviving wife of an
5 individual, who either (A) shall have been married to such
6 individual for at least five years immediately preceding his
7 retirement under this Act, (B) shall have been married to
8 such individual for at least five years immediately preceding
9 his death, and if such individual is an annuitant under this Act
10 at the time of his death, is not more than ten years younger
11 than such individual, or (C) is the mother of issue by such
12 marriage.

13 “(2) The term ‘permanently disabled dependent wid-
14 ower’ means a surviving husband of an individual, who shall
15 have been married to such individual for at least five years
16 immediately preceding her retirement under this Act or
17 five years immediately preceding her death if she died before
18 becoming eligible for retirement, who is incapable because
19 of permanent physical or mental disability of supporting
20 himself, and who was wholly dependent upon and supported
21 by such individual at the time of such individual’s death.

22 “(3) The term ‘child’ means an unmarried child under
23 the age of eighteen, or an unmarried child who because of

1 physical or mental disability is incapable of self-support,
2 but does not include a stepchild or an adopted child.

3 “(4) The term ‘dependent parent’ means the mother
4 or father of an individual who, at the time of the death of
5 such individual, was wholly dependent upon and supported
6 by such individual, but does not include a stepmother or
7 stepfather or a mother or father by adoption.

8 “(f) Questions of dependency and disability arising
9 under this section shall be determined by the Civil Service
10 Commission and its decisions with respect to such matters
11 shall be final and conclusive and shall not be subject to
12 review. The Commission may order or direct at any time
13 such medical or other examinations as it shall deem neces-
14 sary to determine the facts relative to the nature and degree
15 of disability of any annuitant or applicant for annuity under
16 this section, and may suspend or deny any such annuity
17 for failure to submit to any such examination.

18 “(g) The annuity payable to an individual under this
19 section shall be in addition to and not in lieu of any annuity
20 to which such individual may be entitled as a result of an
21 election made by an officer or employee pursuant to section
22 4 (d).

1 “(h) In any case in which an individual is eligible
2 for an annuity under this subsection and is also eligible for
3 an annuity under section 1, section 6, or section 7, such
4 individual shall be required to elect which of such annuities
5 he is to receive.”

6 (b) (1) Subsection (c) of section 12 of such Act is
7 amended to read as follows:

8 “(c) In case (1) an annuitant under section 1, sec-
9 tion 6, or section 7 shall die without having received in
10 annuities purchasable with the sum to the credit of the
11 employee’s individual account an amount equal to the total
12 amount to his credit at the time of his retirement, or (2)
13 the annuity of an annuitant under subsection (a) of section
14 4A shall terminate before he and any other persons who shall
15 have received an annuity based upon the service of the
16 employee shall have received in annuities an aggregate
17 amount equal to the amount to the credit of such employee’s
18 individual account as of the date of such employee’s death
19 and no other person is entitled to an annuity based upon
20 such service, the amount remaining to credit of such em-
21 ployee and any accrued annuity shall be paid, upon the
22 establishment of a valid claim therefor, in the following
23 order of precedence:

24 “First, to the beneficiary or beneficiaries designated in

1 writing by such employee and recorded on his individual
2 account;

3 "Second, if there be no such beneficiary, to the duly
4 appointed executor or administrator of the estate of such
5 employee;

6 "Third, if there be no such beneficiary, or executor or
7 administrator, payment may be made, after the expiration
8 of thirty days from the date of the death of such annuitant,
9 to such person or persons as may appear, in the judgment of
10 the Civil Service Commission to be legally entitled thereto,
11 and such payment shall be a bar to recovery by any other
12 person.

13 "In any case in which an annuitant under section 1 or
14 section 7 has elected to receive an increased annuity as
15 provided in section 4 of this Act, the amount to be paid
16 under the provisions of this subsection shall be only the
17 accrued annuity."

18 (2) So much of subsection (d) of such section as
19 precedes the colon therein is amended to read as follows:

20 "(d) In case an employee shall die without having
21 attained eligibility for retirement or without having estab-
22 lished a valid claim for annuity, and in case no other person
23 has established a valid claim for an annuity based upon the
24 service of such employee, the total amount of his deductions

1 with interest thereon shall be paid upon the establishment
2 of a valid claim therefor, in the following order of
3 precedence”.

4 (c) In any case in which the widow of an annuitant
5 who died prior to the date of enactment of this Act would
6 be eligible for an annuity under the provisions of subsection
7 (b) of section 4A of the Civil Service Retirement Act of
8 May 29, 1930, as amended, if such annuitant had died on
9 the date of enactment of this Act, such annuitant shall be
10 deemed for the purposes of such section to have died on
11 such date.

12 SEC. 6. (a) Section 6 of such Act is amended by in-
13 serting after the colon preceding the first proviso in such
14 section the following: “*Provided*, That any such person who
15 shall have served for a total period of less than fifteen years
16 shall be considered, for the purposes of such computation,
17 to have served for a total period of fifteen years.”

18 (b) Such section is further amended by inserting after
19 the second paragraph thereof a new paragraph as follows:

20 “A recovered disability annuitant (other than a person
21 who at the time of retirement held an office or position in
22 the legislative branch of the Government or an office to
23 which he was appointed by the President by and with the
24 advice and consent of the Senate) shall, upon application
25 therefor filed within one year from the date of the medical

1 examination showing such recovery, be restored to the posi-
2 tion he occupied at the time of retirement or to a position
3 of like seniority, status, and pay.”

4 SEC. 7. Subsections (a) and (b) of section 7 of such
5 Act are amended to read as follows:

6 “(a) Should any officer or employee to whom this Act
7 applies become separated from the service after having
8 served for a total period of not less than five years and before
9 becoming eligible for retirement, such officer or employee
10 shall be paid an annuity beginning at the age of sixty years
11 (or at age of separation if subsequent to age sixty) com-
12 puted as provided in section 4, except that any such officer
13 or employee involuntarily separated from the service not
14 by removal for cause on charges of misconduct or delinquency
15 after having attained the age of forty years may elect to
16 receive an annuity beginning (1) at the age of fifty-five
17 or at the date of separation from the service if subsequent
18 to that age, or (2) at the date upon which he makes ap-
19 plication therefor, whichever is later, in an amount equal to
20 the amount of an annuity computed as provided in section 4
21 reduced by one-fourth of 1 per centum for each full month
22 such officer or employee is under the age of sixty.

23 “(b) Should an annuitant under the provisions of this
24 section become reemployed in a position in the service of
25 the United States or the District of Columbia his annuity

1 shall terminate and any right to an immediate or deferred
2 annuity shall cease as of the date of such reemployment.”

3 SEC. 8. (a) Section 9 of such Act is amended by strik-
4 ing out “on and after July 1, 1942,” and inserting in lieu
5 thereof the following: “after June 30, 1942, and prior to
6 January 1, 1948, and also 6 per centum of such basic salary,
7 pay, or compensation for services rendered after December
8 31, 1947,”.

9 (b) The first sentence in section 10 of such Act is
10 amended to read as follows: “There shall be deducted and
11 withheld from the basic salary, pay, or compensation of
12 each officer and employee to whom this Act applies a sum
13 equal to 6 per centum of such officer’s or employee’s basic
14 salary, pay, or compensation.”

15 (c) The amendment made by subsection (b) shall be-
16 come effective on January 1, 1948.

17 SEC. 9. (a) Section 9 of such Act is further amended
18 by striking out “, less \$1 for each month, or major fraction
19 thereof, of service after the effective date of this Act,”.

20 (b) Subsection (a) of section 12 of such Act is amended
21 by striking out “, less the sum of \$1 per month or major
22 fraction thereof,”.

23 (c) The amendments made by this section shall become
24 effective on January 1, 1948.

1 SEC. 10. Subsection (b) of section 12 is amended to
2 read as follows:

3 “(b) (1) In the case of any officer or employee to
4 whom this Act applies who is transferred to a position
5 not within the purview of this Act, or who becomes abso-
6 lutely separated from the service, before he shall have
7 completed an aggregate of five years of service computed
8 in accordance with section 5 of this Act, the amount of
9 deductions from his basic salary, pay, or compensation
10 credited to his account, together with interest at 4 per
11 centum per annum compounded on December 31 of each
12 year shall be returned to such officer or employee; except
13 that if such separation from the service is involuntary
14 and not by removal for cause on charges of misconduct
15 or delinquency the total amount of deductions from his
16 basic salary, pay, or compensation with interest at 4 per
17 centum compounded on December 31 of each year shall
18 be returned to such officer or employee: *Provided*, That
19 no such interest shall be allowed on the amounts so returned
20 unless the period of service covered thereby aggregates
21 more than two years.

22 “(2) In the case of any officer or employee to whom
23 this Act applies who, after completing five or more years
24 of service computed in accordance with section 5 of this

1 Act and prior to attaining the age of fifty years, is trans-
2 ferred to a position not within the purview of this Act or
3 becomes absolutely separated from the service, the amount
4 of deductions from his basic salary, pay, or compensation
5 credited to his account, together with interest at the rate of
6 4 per centum per annum compounded on December 31 of
7 each year shall, upon application therefor filed within two
8 years after such separation or transfer, be returned to such
9 officer or employee; except that if such separation from the
10 service is involuntary and not by removal for cause on
11 charges of misconduct or delinquency the total amount of
12 deductions from his basic salary, pay, or compensation with
13 interest at 4 per centum compounded on December 31 of
14 each year shall, upon application therefor filed within two
15 years after such separation, be returned to such officer or
16 employee.

17 “(3) No officer or employee who receives a return of
18 deductions under this section shall thereafter become eli-
19 gible for an annuity under this Act unless he (A) is re-
20 employed for a period of at least five years in a position
21 within the purview of this Act, and (B) redeposits the
22 amounts so returned with interest at 4 per centum com-
23 pounded on December 31 of each year, but such interest
24 shall not be required with respect to any period of separa-
25 tion from the service.

1 “(4) In computing interest under this subsection, a
2 fractional part of a month in the total service of an officer
3 or employee shall be disregarded.”

4 SEC. 11. The annuities of all persons retired prior to
5 the date of enactment of this Act under the provisions of
6 the Act entitled “An Act for the retirement of employees
7 in the classified civil service, and for other purposes”,
8 approved May 22, 1920, as amended, or of the Civil Service
9 Retirement Act of May 29, 1930, as amended, except a
10 person retired under the provisions of section 3A of such
11 Act of May 29, 1930, as amended, shall be increased,
12 effective on the first day of the first month which begins
13 after such date, by 25 per centum, or \$300, whichever is
14 the lesser.

80TH CONGRESS
1ST SESSION

H. R. 2462

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

MARCH 10, 1947

Referred to the Committee on Post Office and Civil
Service

80TH CONGRESS
1ST SESSION

H. R. 2447

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1947

Mr. JONES of Washington introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (b) of section 1 of the Civil Service
4 Retirement Act of May 29, 1930, as amended, is amended
5 to read as follows:

6 “(b) Any officer or employee to whom this Act applies
7 who shall have attained the age of sixty years and have ren-
8 dered at least five years of service computed as prescribed in
9 section 5 may voluntarily retire and shall be paid an annuity
10 computed as provided in section 4.”

1 (b) Subsection (d) of such section is amended to read
2 as follows:

3 “(d) Any officer or employee to whom this Act applies
4 who shall have attained the age of fifty years and have
5 rendered at least twenty years of service computed as pre-
6 scribed in section 5 may voluntarily retire, with the approval
7 of the head of the department or agency concerned (or
8 without such approval if the sum of (1) the years of such
9 service and (2) the age of such officer or employee as of
10 the most recent anniversary of the date of his birth, equals
11 eighty or more), and shall be paid an immediate life annuity
12 having a value equal to an annuity computed as provided in
13 section 4 reduced by one-fourth of 1 per centum for each
14 full month such officer or employee is under the age of sixty
15 years.”

16 (c) Subsection (e) of such section is hereby repealed.

17 SEC. 2. The last sentence in section 2 of such Act is
18 amended to read as follows: “Any person whose annuity is
19 terminated under this section or under section 7 (b) shall,
20 upon the termination of his appointment, be entitled to be
21 paid an annuity equal to the annuity he was receiving prior
22 to his reemployment increased by an amount computed as
23 provided in section 4 or section 7 (a), whichever may be
24 applicable, with respect to so much of the service performed
25 during such reemployment as, when added to the service

1 upon which the annuity he was receiving prior to such
2 reemployment was based, does not exceed thirty-five years,
3 except that if the employment by reason of which his annuity
4 is terminated is in a position not within the purview of this
5 Act, the annuity shall be resumed in the same amount upon
6 termination of such employment.”

7 SEC. 3. Paragraph (3) of section 3A of such Act is
8 amended by inserting before the period at the end of such
9 paragraph a colon and the following: “*Provided*, That any
10 person who shall have become separated from the service
11 after having had at least six years of service as a Member of
12 Congress and after having attained the age of forty years
13 may elect to receive an immediate annuity beginning (1)
14 at the age of fifty-five or at the date of separation from the
15 service if subsequent to that age, or (2) at the date upon
16 which he makes application therefor, whichever is later, equal
17 to an annuity computed as provided in paragraph 5 reduced
18 by one-fourth of 1 per centum for each full month such person
19 is under the age of 62.”

20 SEC. 4 (a) Subsection (a) of section 4 of such Act is
21 amended to read as follows:

22 “(a) The annuity of an officer or employee retired un-
23 der subsection (a), (b), or (c) of section 1 shall be a life
24 annuity, terminable upon the death of the annuitant and shall
25 be an amount equal to the following: (1) $1\frac{1}{2}$ per centum

1 of the average annual basic salary, pay, or compensation re-
2 ceived by the officer or employee during any five consecutive
3 years of allowable service at the option of the employee mul-
4 tiplied by the years of service not exceeding thirty-five, or
5 (2) 1 per centum of the highest average annual basic salary,
6 pay, or compensation received by the officer or employee
7 during five consecutive years of allowable service multiplied
8 by the years of service not exceeding thirty-five, plus a sum
9 equal to \$25 for each year of such service not exceeding
10 thirty-five, but no such annuity shall exceed an amount equal
11 to 90 per centum of the highest average annual basic salary,
12 pay, or compensation received by the officer or employee
13 during five consecutive years of allowable service.”

14 (b) Subsection (b) of such section is hereby repealed.

15 (c) (1) Subsection (d) of such section is amended by
16 striking out “(a) equal to or (b) 50 per centum of” and
17 inserting in lieu thereof the following: “equal to (a) 50 per
18 centum or (b) 25 per centum of”.

19 (2) Such subsection is further amended by striking out
20 the proviso at the end thereof.

21 SEC. 5. (a) Such Act is amended by inserting after sec-
22 tion 4 thereof a new section as follows:

23 “SEC. 4A. (a) In any case in which an officer or em-
24 ployee to whom this Act applies (other than a person subject
25 to the provisions of section 3A) dies, after having served for

1 a total period of not less than five years and before becoming
2 eligible for retirement, and is survived by a widow or a
3 permanently disabled dependent widower, such widow or
4 widower shall be paid an immediate annuity terminable
5 upon death or remarriage (or upon recovery from disability
6 in the case of a widower) in an amount equal to one-half the
7 amount of an annuity computed as provided in section 4 with
8 respect to such office or employee. For the purpose of such
9 computation an officer or employee who shall have served
10 for a total period of less than fifteen years shall be deemed
11 to have served for a total period of fifteen years. The annuity
12 of a widow or widower under this subsection shall not exceed
13 \$900, except that such annuity shall not be less than the
14 amount of the annuity purchasable with respect to such
15 widow or widower with the sum to the credit of the
16 officer's or employee's individual account as provided in
17 section 12 (a).

18 “(b) In any case in which an annuitant under section
19 1, section 6, or section 7 of this Act dies and is survived by
20 a widow or a permanently disabled dependent widower, such
21 widow or widower shall be paid an immediate annuity term-
22 inable upon death or remarriage (or upon recovery from
23 disability in the case of a widower) in an amount equal to
24 one-half the amount of the annuity which such annuitant was
25 receiving at the time of his death, except that the annuity of

1 a widow or widower under this subsection shall not exceed
2 \$900.

3 “(c) (1) In any case in which an officer or employee
4 to whom this Act applies and who has served for a total
5 period of not less than five years or an annuitant under
6 section 1, section 6, or section 7 of this Act dies and leaves
7 a surviving widow or widower and a surviving child or
8 children, each such child shall be paid an immediate annuity
9 in an amount equal to one-half of the amount of the annuity
10 payable under subsection (a) or subsection (b) to such
11 widow or widower, but not to exceed \$900 divided by
12 the number of such children or \$360, whichever is lesser.
13 Upon the death of such widow or widower the annuity
14 of such child or children shall be recomputed and paid as
15 provided in paragraph (2).

16 “(2) In any case in which such officer, employee,
17 or annuitant dies and leaves no surviving widow or widower
18 but leaves a surviving child or children, each such child
19 shall be paid an immediate annuity in an amount equal to
20 the amount of the annuity which would have been payable
21 under subsection (a) or subsection (b) had such officer,
22 employee, or annuitant been survived by a widow or
23 widower, but not to exceed \$1,200 divided by the number
24 of such children or \$480, whichever is lesser.

1 “(3) The annuity payable to a child under this sub-
2 section shall be terminable upon (A) his attaining the age
3 of eighteen years, (B) his marriage, or (C) his death,
4 whichever first occurs, except that if such child is incapable
5 of self-support by reason of mental or physical disability
6 his annuity shall be terminable only upon death, marriage,
7 or recovery from such disability.

8 “(4) In any case in which the annuity of a child, under
9 this subsection, is terminated, the annuities of any other
10 child or children, based upon the service of the same officer,
11 employee, or annuitant, shall be recomputed and paid as
12 though the child whose annuity was so terminated had not
13 survived such officer, employee, or annuitant.

14 “(d) In any case in which an officer or employee to
15 whom this Act applies and who has served for a total period
16 of not less than five years or an annuitant under section 1,
17 section 6, or section 7 of this Act dies and is survived by a
18 dependent parent and is not survived by widow, widower, or
19 child entitled to an annuity under the foregoing provisions of
20 this section, such dependent parent shall be paid an immediate
21 annuity terminable upon death in an amount equal to the
22 amount of an annuity payable under subsection (a) or sub-
23 section (b), as the case may be. If two dependent parents
24 survive such officer, employee, or annuitant, the annuity

1 payable under this subsection shall be paid to such parents
2 in equal shares, and upon the death of one such parent his
3 share shall be paid to the survivor.

4 “(e) As used in this subsection—

5 “(1) the term ‘widow’ means a surviving wife of
6 an individual, who either (A) shall have been married
7 to such individual for at least five years immediately
8 preceding his retirement under this Act, (B) shall have
9 been married to such individual for at least five years
10 immediately preceding his death, and if such individual
11 is an annuitant under this Act at the time of his death,
12 is not more than ten years younger than such an indi-
13 vidual, or (C) is the mother of issue by such marriage;

14 “(2) the term ‘permanently disabled dependent
15 widower’ means a surviving husband of an individual,
16 who shall have been married to such individual for at
17 least five years immediately preceding her retirement
18 under this Act or five years immediately preceding her
19 death if she died before becoming eligible for retirement,
20 who is incapable because of permanent physical or
21 mental disability of supporting himself, and who was
22 wholly dependent upon and supported by such individual
23 at the time of such individual’s death;

24 “(3) the term ‘child’ means an unmarried child
25 under the age of eighteen, or an unmarried child who

1 because of physical or mental disability is incapable of
2 self-support, but does not include a stepchild or an
3 adopted child; and

4 “(4) the term ‘dependent parent’ means the mother
5 or father of an individual who, at the time of the death
6 of such individual, was wholly dependent upon and sup-
7 ported by such individual, but does not include a step-
8 mother or stepfather or a mother or father by adoption.

9 “(f) Questions of dependency and disability arising
10 under this section shall be determined by the Civil Service
11 Commission and its decisions with respect to such matters
12 shall be final and conclusive and shall not be subject to review.
13 The Commission may order or direct at any time such
14 medical or other examinations as it shall deem necessary to
15 determine the facts relative to the nature and degree of dis-
16 ability of any annuitant or applicant for annuity under this
17 section, and may suspend or deny any such annuity for
18 failure to submit to any such examination.

19 “(g) The annuity payable to an individual under this
20 section shall be in addition to and not in lieu of any annuity
21 to which such individual may be entitled as a result of an
22 election made by an officer or employee pursuant to section
23 4 (d).

24 “(h) In any case in which an individual is eligible

1 for an annuity under this subsection and is also eligible for
2 an annuity under section 1, section 6, or section 7, such
3 individual shall be required to elect which of such annuities
4 he is to receive.”

5 (b) (1) Subsection (c) of section 12 of such Act is
6 amended to read as follows:

7 “(c) In case (1) an annuitant under section 1, section
8 6, or section 7 shall die without having received in annuities
9 purchasable with the sum to the credit of the employee’s
10 individual account an amount equal to the total amount to
11 his credit at the time of his retirement, or (2) the annuity
12 of an annuitant under subsection (a) of section 4A shall
13 terminate before he and any other persons who shall have
14 received an annuity based upon the service of the employee
15 shall have received in annuities an aggregate amount
16 equal to the amount to the credit of such employee’s
17 individual account as of the date of such employee’s death
18 and no other person is entitled to an annuity based upon
19 such service, the amount remaining to credit of such employee
20 and any accrued annuity shall be paid, upon the establish-
21 ment of a valid claim therefor, in the following order of
22 precedence:

23 “First, to the beneficiary or beneficiaries designated in
24 writing by such employee and recorded on his individual
25 account;

1 “Second, if there be no such beneficiary, to the duly
2 appointed executor or administrator of the estate of such
3 employee;

4 “Third, if there be no such beneficiary, or executor or
5 administrator, payment may be made, after the expiration of
6 thirty days from the date of the death of such annuitant, to
7 such person or persons as may appear, in the judgment of
8 the Civil Service Commission to be legally entitled thereto,
9 and such payment shall be a bar to recovery by any other
10 person.

11 “In any case in which an annuitant under section 1 or
12 section 7 has elected to receive an increased annuity as pro-
13 vided in section 4 of this Act, the amount to be paid under
14 the provisions of this subsection shall be only the accrued
15 annuity.”

16 (2) So much of subsection (d) of such section as
17 precedes the colon therein is amended to read as follows:

18 “(d) In case an employee shall die without having
19 attained eligibility for retirement or without having estab-
20 lished a valid claim for annuity, and in case no other person
21 has established a valid claim for an annuity based upon the
22 service of such employee, the total amount of his deductions
23 with interest thereon shall be paid upon the establishment of
24 a valid claim therefor, in the following order of precedence”.

25 (c) In any case in which the widow of an annuitant

1 who died prior to the date of enactment of this Act would be
2 eligible for an annuity under the provisions of subsection
3 (b) of section 4A of the Civil Service Retirement Act of
4 May 29, 1930, as amended, if such annuitant had died on
5 the date of enactment of this Act, such annuitant shall be
6 deemed for the purposes of such section to have died on
7 such date.

8 SEC. 6. (a) Section 6 of such Act is amended by insert-
9 ing after the colon preceding the first proviso in such section
10 the following: "*Provided*, That any such person who shall
11 have served for a total period of less than fifteen years shall
12 be considered, for the purposes of such computation, to have
13 served for a total period of fifteen years."

14 (b) Such section is further amended by inserting after
15 the second paragraph thereof a new paragraph as follows:

16 "A recovered disability annuitant (other than a person
17 who at the time of retirement held an office or position in the
18 legislative branch of the Government or an office to which
19 he was appointed by the President by and with the advice
20 and consent of the Senate) shall, upon application therefor
21 filed within one year from the date of the medical examina-
22 tion showing such recovery, be restored to the position he
23 occupied at the time of retirement or to a position of like
24 seniority, status, and pay."

1 SEC. 7. Subsections (a) and (b) of section 7 of such
2 Act are amended to read as follows:

3 “(a) Should any officer or employee to whom this Act
4 applies become separated from the service after having served
5 for a total period of not less than five years and before be-
6 coming eligible for retirement, such officer or employee
7 shall be paid an annuity beginning at the age of sixty years
8 (or at age of separation if subsequent to age sixty) computed
9 as provided in section 4, except that any such officer or em-
10 ployee involuntarily separated from the service not by re-
11 moval for cause on charges of misconduct or delinquency
12 after having attained the age of forty years may elect to
13 receive an annuity beginning (1) at the age of fifty-five
14 or at the date of separation from the service if subsequent to
15 that age, or (2) at the date upon which he makes applica-
16 tion therefor, whichever is later, in an amount equal to the
17 amount of an annuity computed as provided in section 4
18 reduced by one-fourth of 1 per centum for each full month
19 such officer or employee is under the age of sixty.

20 “(b) Should an annuitant under the provisions of this
21 section become reemployed in a position in the service of the
22 United States or the District of Columbia his annuity shall
23 terminate and any right to an immediate or deferred annuity
24 shall cease as of the date of such reemployment.”

1 SEC. 8. (a) Section 9 of such Act is amended by strik-
2 ing out “on and after July 1, 1942, and inserting in lieu
3 thereof the following: “after June 30, 1942, and prior to
4 January 1, 1948, and also 6 per centum of such basic salary,
5 pay, or compensation for services rendered after December
6 31, 1947,”.

7 (b) The first sentence in section 10 of such Act is
8 amended to read as follows: “There shall be deducted and
9 withheld from the basic salary, pay, or compensation of each
10 officer and employee to whom this Act applies a sum equal
11 to 6 per centum of such officer’s or employee’s basic salary,
12 pay, or compensation.”

13 (c) The amendment made by subsection (b) shall be-
14 come effective on January 1, 1948.

15 SEC. 9. (a) Section 9 of such Act is further amended
16 by striking out “, less \$1 for each month, or major fraction
17 thereof, of service after the effective date of this Act,”.

18 (b) Subsection (a) of section 12 of such Act is
19 amended by striking out “, less the sum of \$1 per month or
20 major fraction thereof,”.

21 (c) The amendments made by this section shall become
22 effective on January 1, 1948.

23 SEC. 10. Subsection (b) of section 12 is amended to
24 read as follows:

25 “(b) (1) In the case of any officer or employee to

1 whom this Act applies who is transferred to a position not
2 within the purview of this Act, or who becomes absolutely
3 separated from the service, before he shall have completed an
4 aggregate of five years of service computed in accordance
5 with section 5 of this Act, the amount of deductions from his
6 basic salary, pay, or compensation credited to his account,
7 together with interest at 4 per centum per annum com-
8 pounded on December 31 of each year shall be returned to
9 such officer or employee; except that if such separation from
10 the service is involuntary and not by removal for cause on
11 charges of misconduct or delinquency the total amount of
12 deductions from his basic salary, pay, or compensation with
13 interest at 4 per centum compounded on December 31 of
14 each year shall be returned to such officer or employee: *Pro-*
15 *vided*, That no such interest shall be allowed on the amounts
16 so returned unless the period of service covered thereby ag-
17 gregates more than two years.

18 “(2) In the case of any officer or employee to whom
19 this Act applies who, after completing five or more years of
20 service computed in accordance with section 5 of this Act
21 and prior to attaining the age of fifty years, is transferred to
22 a position not within the purview of this Act or becomes ab-
23 solutely separated from the service, the amount of deductions
24 from his basic salary, pay, or compensation credited to his
25 account, together with interest at the rate of 4 per centum

1 per annum compounded on December 31 of each year shall,
2 upon application therefor filed within two years after such
3 separation or transfer, be returned to such officer or em-
4 ployee; except that if such separation from the service is
5 involuntary and not by removal for cause on charges of mis-
6 conduct or delinquency the total amount of deductions from
7 his basic salary, pay, or compensation with interest at 4 per
8 centum compounded on December 31 of each year shall,
9 upon application therefor filed within two years after such
10 separation, be returned to such officer or employee.

11 “(3) No officer or employee who receives a return of
12 deductions under this section shall thereafter become eligible
13 for an annuity under this Act unless he (A) is reemployed
14 for a period of at least five years in a position within the
15 purview of this Act, and (B) redeposits the amounts so
16 returned with interest at 4 per centum compounded on
17 December 31 of each year, but such interest shall not be
18 required with respect to any period of separation from the
19 service.

20 “(4) In computing interest under this subsection, a
21 fractional part of a month in the total service of an officer
22 or employee shall be disregarded.”

23 SEC. 11. The annuities of all persons retired prior to
24 the date of enactment of this Act under the provisions of
25 the Act entitled “An Act for the retirement of employees

1 in the classified civil service, and for other purposes", ap-
2 proved May 22, 1920, as amended, or of the Civil Service
3 Retirement Act of May 29, 1930, as amended, except a
4 person retired under the provisions of section 3A of such
5 Act of May 29, 1930, as amended, shall be increased, ef-
6 fective on the first day of the first month which begins after
7 such date, by 25 per centum, or \$300, whichever is the
8 lesser.

80TH CONGRESS
1ST Session

H. R. 2447

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. JONES of Washington

MARCH 10, 1947

Referred to the Committee on Post Office and Civil
Service

AMENDING THE CIVIL SERVICE RETIREMENT ACT OF
MAY 29, 1930, AS AMENDED

APRIL 25 (legislative day, APRIL 21), 1947.—Ordered to be printed

Mr. LANGER, from the Committee on Civil Service, submitted the following

R E P O R T

[To accompany S. 637]

The Committee on Civil Service, to whom was referred the bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The principal purposes of the bill as amended by the committee are to provide benefits for dependent survivors of employees dying in service, to permit retired employees now on the annuity rolls to obtain certain increased annuity benefits or in lieu thereof to obtain certain benefits for their widows, to provide simpler and more equitable methods for computing annuities, to reduce service requirements for both age and optional retirement, to permit refunds upon separation prior to retirement without regard to length of service, to increase the rate of employees' contributions to the retirement fund, and to simplify administration of the Retirement Act. These and other changes in the Retirement Act made by S. 637 are hereafter discussed in further detail.

SECTION 1

Under existing law optional retirement is permitted at age 60 after 30 years of service, at age 62 after 15 years of service, and, on a reduced annuity, at age 55 after 30 years of service. Under the amendment made by section 1, optional retirement would be permitted at age 60 after 10 years of service, or on a reduced annuity at age 55 after 10 years' service. In the case of retirement between the ages of 55 and 60 the annuity would be reduced by 6 percent for each year the employee is under age 60.

The present law gives an employee involuntarily separated between July 1, 1945 and June 30, 1947, at age 55 with 25 years' service an immediate annuity reduced by 2 percent for each year the employee

is under age 60 or 62, depending on his length of service. S. 637 removes this 55-year limitation thereby permitting the benefit at any age, but with a 3 percent reduction for each year the employee is under the age of 60 years, and makes the provision permanent.

SECTION 2

This section retains the existing compulsory retirement age of 70 years but reduces the service requirement from 15 to 10 years, and this section also provides an entirely new feature to the retirement law with respect to reemployed annuitants. Under the present law an employee retired under section 1 (age or optionally), may be reemployed in the Federal service only if, in the opinion of the appointing authority, he possesses special qualifications. The annuity previously awarded is terminated upon any such reemployment, and the employee again becomes subject to the Retirement Act with a new annuity right arising under the law in effect at the time of subsequent separation from the service.

It is proposed that the same privileges of reemployment be continued except that if the person is age 60 or over, the annuity will continue to be paid during his reemployment and his salary, as an employee, reduced by the amount of annuity being received. The employee would acquire no additional retirement rights during such period of reemployment.

This will result in a saving in administrative costs because of the elimination of dropping annuitants from the roll, recomputing annuities, and reentering annuitants on the roll. It will prevent inequities arising as a result of annuitants being reemployed primarily for the purpose of acquiring new or additional retirement rights.

SECTION 3

This section amends section 3A of the Retirement Act which was added by section 602 of the Legislative Reorganization Act of 1946 and which extended to Members of Congress the privilege of becoming members of the civil-service retirement system. The existing law provides for the payment of the total amount deducted from his salary with compound interest of 4 percent if the Member of Congress becomes separated from the service before completing an aggregate of 6 years of service as a Member of Congress. This section would eliminate the payment of interest. This section also provides for reduction in the interest rate from 4 percent to 3 percent after 1947.

Stipulation is also contained therein that the above amendment is the only provision in S. 637 which will in any way affect the retirement of Members of Congress. The reduction in interest rate for Members of Congress will conform to that proposed for other members of the system. None of the liberalized features of the act, including survivor benefits, will be available to Members of Congress.

SECTION 4

The existing law provides that the annuity granted thereunder shall be composed of a sum equal to \$30 for each year of service not exceeding 30 (which total may not exceed three-fourths of the average annual basic salary received by the employee for the highest five consecutive

years, or be less than the employee's purchasable life annuity) plus the amount purchasable with the sum (including interest) to the credit of the employee's individual account in the retirement fund. Provision is made that the annuity shall not be less than an amount equal to the average annual basic salary, not to exceed \$1,600 per annum, received by the employee during the highest five consecutive years of allowable service, multiplied by the number of years of service not exceeding 30 years, and divided by 40. The law contains a third proviso which guarantees an annuity equal to one-seventieth of the average basic salary for the highest five consecutive years multiplied by the number of years of service not exceeding 35. In each individual case, the method which will produce the maximum benefit is used.

S. 637 provides that the annuity formula shall be $1\frac{1}{2}$ percent of the highest average salary for five consecutive years multiplied by years of service, or 1 percent of such average salary plus \$25 multiplied by years of service. In no case may the annuity exceed 90 percent of the employee's highest 5-year average salary. (In general, only the lower-salaried employees will be able to qualify for an annuity of 90 percent of salary; the average-salaried employee would need to work approximately 50 years and the high-salaried employee would need to work approximately 60 years to qualify for a retirement benefit of 90 percent of salary.)

The present option given a retiring employee to elect an increased annuity carrying with it upon his death a forfeiture of his retirement contributions to the Government is repealed.

The present act permits an employee retiring under the age or optional provision of the Retirement Act to elect a reduced annuity carrying with it upon the employee's death a continuing benefit at the same rate of 50 percent thereof to a designated beneficiary. This section further provides that in the event of death of the employee within 30 days from the date of retirement, the election shall become void, and the death shall be treated as a death in the active service. S. 637 allows any retiring employee to take a reduced annuity for himself, with one-half of his annuity continuing after his death to a survivor annuitant designated by him, but the survivor annuitant must be a close relative. The 30-day waiting period is eliminated.

SECTION 5

This section requires that 5 years of civilian service be rendered before any employee may have title to annuity, rather than a combination of civilian and military service as provided in the present law. It eliminates the present requirement that military service forming the basis for pension (generally only 90 days) be deducted from the time base for retirement.

SECTION 6

This will allow employees who were receiving hospital treatment an additional period to file claims for disability annuity, which provision will cover only a few meritorious cases. It will also eliminate the necessity for further medical examinations for disability annuitants after they have reached age 60.

SECTION 7

The present law freezes retirement deductions from and after January 24, 1942, in the case of employees who have served 5 years or more, and gives them in return a right to annuity beginning at age 62 or 55 depending upon whether the separation was voluntary or involuntary. S. 637 provides rights to annuity after 5 years of service beginning at age 62 provided employee is involuntarily separated without cause. Such an employee may also withdraw his contributions to the fund without interest and still receive an annuity at age 62, but the annuity will be on a reduced basis. An employee separated voluntarily after 10 years of service will receive an annuity at age 65. Such an employee may also withdraw his contributions to the fund without interest and still receive an annuity at age 65, but the annuity will be on a reduced basis.

SECTION 8

This section provides certain benefits for retired employees already on the annuity rolls. The annuity of each such person would be increased, effective on the first day of the fourth month following the date of enactment, by 25 percent or \$300 whichever is less, unless the annuitant elected in lieu of such increase to retain his present annuity and to have an amount equal to one-half the amount of his annuity paid to his wife upon his death. Such amount would be payable during the remainder of her life.

This section also provides that in the case of a former officer or employee who presently holds a vested title to a future annuity shall retain this right, but he is offered the privilege of forfeiting his annuity and to elect in lieu thereof to receive a return of contributions plus any annuity to which he may be entitled under section 7 of S. 637.

SECTION 9

Section 9 of the present law permits an employee to make deposit in the retirement fund covering periods of service when not subject to the act, and for which he made no contribution. This section continues this privilege but provides that no interest on deposits shall be required, and that no deposit shall be required for military service.

SECTION 10

This section provides for an increase from 5 percent to 6 percent in employee contributions beginning with the first pay period in 1948. As regards voluntary contributions made by employees to increase their annuities, the present actuarial factors now used in determining the additional annuity are replaced by simpler specified figures.

SECTION 11

This section amends section 12 of the Retirement Act so as to eliminate the so-called \$1 a month tontine charge. Provisions relating to the tontine charge appearing in other sections of the act are likewise eliminated.

This section also provides for return of deductions without interest upon voluntary separation with less than 10 years' service, and in

case of involuntary separation without cause after less than 5 years of service with interest.

Under existing law deductions are returnable with interest upon separation with less than 5 years' service. Tontine is withheld in voluntary separation cases.

Subsections (c) and (d) of section 12 as amended by this bill provide survivorship benefits in the case of employees dying in the service after having served for five or more years. The widow of any such employee would be entitled upon attaining age 60 to receive an annuity terminable upon death or remarriage equal to one-half the amount of an annuity computed on the basis of the salary and years of service of the employee; except that if the employee is also survived by a child or children entitled to annuity as described in the following paragraph the annuity of the widow would become payable immediately and would continue to be payable so long as an annuity is paid to a surviving child entitled to annuity. Her annuity would then be terminated but would be resumed at age 60 as in the case of a childless widow.

Surviving children, including dependent stepchildren and adopted children while under the age of 18 and unmarried or, regardless of age, while incapable of self support because of physical or mental disability, would receive annuities equal to one-fourth the amount of an annuity computed on the basis of the salary and years of service of the employee, except that in the case of an orphan the annuity will be equal to one-half of an annuity so computed. In cases where there is a surviving widow, a child's annuity could not exceed \$900 divided by the number of such children or \$360 whichever is lesser. Where there is no widow a child's annuity would be limited to \$1,200 divided by the number of children or \$480, whichever is lesser. A widow would not be eligible for benefits under this section unless she had been married to the employee for the 5-year period immediately preceding his death, or is the mother of issue by such marriage.

Section 11 of the bill also provides for a return of deductions with interest, as under existing law, to a beneficiary in case of death of an employee who leaves no survivors entitled to annuity, and a return of deductions without interest if he leaves qualified survivors.

Where an annuitant who has not elected a joint and survivorship annuity dies without having received in annuities an amount equal to the total amount credited to his individual account with interest, the difference and any accrued annuity will be returned to his beneficiary. Under existing law the amount returnable in such cases is the difference between the amount credited to the employee's account with interest and the amount chargeable to the employee as his portion of the annuity purchased with his contributions.

In all cases the interest rate on amounts credited to employee accounts will be reduced from 4 to 3 percent with respect to periods after December 31, 1947, thus affecting amounts returnable in the case of deceased employees and annuitants.

SECTION 12

This proposed change is for administrative expediency only. It provides that annuities shall accrue monthly, thereby eliminating the necessity of any settlement covering a small sum for a fractional part of a month.

SECTION 13

This section will allow the Civil Service Commission to make an age and optional annuity retroactively payable to the first of the month following termination of the employee's salary if he was eligible for annuity at that point. At present, the annuity cannot begin until actual separation occurs, and some employees who have been in leave-without-pay status have a period when neither salary nor annuity is payable. This will affect only a few meritorious cases.

SECTION 14

This will repeal section 14 of the present act, which section no longer serves any purpose.

The adoption of these amendments will facilitate administration of the retirement system and render the act more intelligible to the average employee due principally to—

1. Substitution of two retirement formulas (one of which is applicable in 95 percent of all retirement cases) for the present four formulas.

2. Two annuity options rather than four under present act.

3. Lack of need of a number of special factors in determining annuities now required.

In the direction of liberalization, the bill provides for—

- (a) An increase in annuities awarded to annuitants already on the rolls of about 18 percent on the average.

- (b) A revised formula for computing annuities which will result in increases approximately of 20 percent on the average.

- (c) Survivorship benefits for widows and children.

- (d) Elimination of the tontine charge.

In the direction of economy, the bill provides for—

- (a) Reduction in the interest rate in the future from 4 percent to 3 percent.

- (b) Nonpayment of interest on refunds of retirement deductions to employees who resign from the service.

- (c) Deferring the right of an employee who has resigned to vested title in an annuity until 10 years of service have been acquired rather than 5 and with the annuity beginning at age 65 rather than age 62.

- (d) Charging the total annuity paid against the employee's accumulated deductions with interest when death occurs after retirement rather than charging against the account merely the amount of annuity purchased by the employee's deductions with interest.

The bill also provides for an increase in the rate of employee deductions from 5 percent of basic salary to 6 percent of basic salary. It is estimated by the Civil Service Commission that the contributions from the employees plus the savings brought about through the economies cited above would almost totally finance the cost of S. 637, as amended. On the basis of maximum estimated expenditures and minimum estimated savings, the ultimate cost to the Government when the system reaches maturity, approximately 30 years hence, may be four or five million dollars per year; no immediate increase in appropriations is required.

The Civil Service Commission endorses the amendments proposed.

TABLE 1.—Comparison of annuities payable under present Civil Service Retirement Act and S. 637

Highest average salary over 5 consecutive years	Service 30 years							
	S. 637		Present act					
	Employee retiring at age 60 and above	Per-cent ²	Age 60				Age 70 ¹	
			Mini-mum	Per-cent ²	Maxi-mum	Per-cent ²	Maxi-mum	Per-cent ²
\$500.....	\$450	90	\$380	76	\$432	86	\$448	90
\$1,000.....	900	90	766	77	916	92	960	96
\$1,500.....	1,200	80	1,175	78	1,175	78	1,251	83
\$2,000.....	1,350	68	1,200	60	1,284	64	1,391	70
\$2,500.....	1,500	60	1,200	48	1,393	56	1,530	61
\$3,000.....	1,650	55	1,236	43	1,502	50	1,670	56
\$3,500.....	1,800	51	1,500	43	1,611	46	1,818	52
\$4,000.....	1,950	49	1,714	43	1,720	43	2,096	52
\$5,000.....	2,250	45	2,143	43	2,143	43	2,654	53
\$7,500.....	3,375	45	3,214	43	3,214	43	4,048	54
\$10,000.....	4,500	45	4,286	43	4,286	43	5,442	54

¹ Minimum same as at age 60.
² Percentage of highest average salary over 5 consecutive years.

TABLE 2.—Comparison of annuities payable under present Civil Service Retirement Act and S. 637

Highest average salary over 5 consecutive years	Service 35 years							
	S. 637		Present act					
	Employee retiring at age 60 and above	Per-cent ²	Age 60				Age 70 ¹	
			Mini-mum	Per-cent ²	Maxi-mum	Per-cent ²	Maxi-mum	Per-cent ²
\$500.....	\$450	90	\$380	76	\$450	90	\$470	94
\$1,000.....	900	90	766	77	968	97	1,028	103
\$1,500.....	1,350	90	1,175	78	1,261	84	1,361	91
\$2,000.....	1,575	79	1,200	60	1,404	70	1,544	77
\$2,500.....	1,750	70	1,250	50	1,548	62	1,727	69
\$3,000.....	1,925	64	1,500	50	1,691	56	2,022	67
\$3,500.....	2,100	60	1,750	50	1,867	53	2,388	68
\$4,000.....	2,275	57	2,000	50	2,154	54	2,754	69
\$5,000.....	2,625	53	2,500	50	2,727	55	3,486	70
\$7,500.....	3,938	53	3,750	50	4,158	55	5,316	71
\$10,000.....	5,250	53	5,000	50	5,590	56	7,148	71

¹ Minimum same as at age 60.
² Percentage of highest average salary over 5 consecutive years

TABLE 3.—Annuity payable to (1) employee on retirement, (2) widow of deceased active employee, and (3) orphan of deceased active employee according to salary average over 5 years and to service rendered by employee

Average salary for 5 years	5 years of service, annuity payable to—			10 years of service, annuity payable to—		
	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee
\$500.....	\$150	\$75	\$38	\$300	\$150	\$75
\$1,000.....	175	88	44	350	175	88
\$1,500.....	200	100	50	400	200	100
\$2,000.....	225	112	56	450	225	112
\$2,500.....	250	125	62	500	250	125
\$3,000.....	275	138	69	550	275	138
\$3,500.....	300	150	75	600	300	150
\$4,000.....	325	162	81	650	325	162
\$4,500.....	350	175	88	700	350	175
\$5,000.....	375	188	94	750	375	188
\$5,500.....	412	206	103	825	412	206
\$6,000.....	450	225	112	900	450	225
\$6,500.....	488	244	122	975	488	244
\$7,000.....	525	262	131	1,050	525	262
\$7,500.....	562	281	140	1,125	562	281
\$8,000.....	600	300	150	1,200	600	300
\$8,500.....	638	319	160	1,275	638	319
\$9,000.....	675	338	169	1,350	675	338
\$9,500.....	712	356	178	1,425	712	356
\$10,000.....	750	375	188	1,500	750	360

TABLE 4.—Annuity payable to (1) employee on retirement, (2) widow of deceased active employee, and (3) orphan of deceased active employee according to salary averaged over 5 years and to service rendered by employee

Average salary for 5 years	15 years of service, annuity payable to—			20 years of service, annuity payable to—		
	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee
\$500.....	\$450	\$225	\$113	\$450	\$225	\$112
\$1,000.....	525	262	131	700	350	175
\$1,500.....	600	300	150	800	400	200
\$2,000.....	675	338	169	900	450	225
\$2,500.....	750	375	188	1,000	500	250
\$3,000.....	825	412	206	1,100	550	275
\$3,500.....	900	450	225	1,200	600	300
\$4,000.....	975	488	244	1,300	650	325
\$4,500.....	1,050	525	263	1,400	700	350
\$5,000.....	1,125	563	282	1,500	750	360
\$5,500.....	1,238	619	310	1,650	825	-----
\$6,000.....	1,350	675	338	1,800	900	-----
\$6,500.....	1,463	732	360	1,950	975	-----
\$7,000.....	1,575	778	-----	2,100	1,050	-----
\$7,500.....	1,688	844	-----	2,250	1,125	-----
\$8,000.....	1,800	900	-----	2,400	1,200	-----
\$8,500.....	1,913	956	-----	2,550	1,275	-----
\$9,000.....	2,025	1,012	-----	2,700	1,350	-----
\$9,500.....	2,138	1,069	-----	2,850	1,425	-----
\$10,000.....	2,250	1,125	-----	3,000	1,500	-----

TABLE 5.—Annuity payable to (1) employee on retirement, (2) widow of deceased active employee, and (3) orphan of deceased active employee according to salary averaged over 5 years and to service rendered by employee

Average salary for 5 years	25 years of service, annuity payable to—			30 years of service, annuity payable to—		
	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee	Employee on retirement	Widow of deceased active employee	Orphan of deceased active employee
\$500	\$450	\$225	\$113	\$450	\$225	\$112
\$1,000	875	438	219	900	450	225
\$1,500	1,000	500	250	1,200	600	300
\$2,000	1,125	562	281	1,350	675	338
\$2,500	1,250	625	313	1,500	750	360
\$3,000	1,375	688	344	1,650	825	-----
\$3,500	1,500	750	360	1,800	900	-----
\$4,000	1,625	813	-----	1,950	975	-----
\$4,500	1,750	875	-----	2,100	1,050	-----
\$5,000	1,875	938	-----	2,250	1,125	-----
\$5,500	2,063	1,031	-----	2,475	1,238	-----
\$6,000	2,250	1,125	-----	2,700	1,350	-----
\$6,500	2,438	1,219	-----	2,925	1,462	-----
\$7,000	2,625	1,312	-----	3,150	1,575	-----
\$7,500	2,813	1,406	-----	3,375	1,688	-----
\$8,000	3,000	1,500	-----	3,600	1,800	-----
\$8,500	3,188	1,594	-----	3,825	1,912	-----
\$9,000	3,375	1,688	-----	4,050	2,025	-----
\$9,500	3,563	1,781	-----	4,275	2,138	-----
\$10,000	3,750	1,875	-----	4,500	2,250	-----

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80TH CONGRESS
1ST SESSION

Calendar No. 144

S. 637

[Report No. 143]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19, 1947

Mr. LANGER (for himself and Mr. CHAVEZ) introduced the following bill; which was read twice and referred to the Committee on Civil Service

APRIL 25 (legislative day, APRIL 21), 1947

Reported by Mr. LANGER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That ~~(a)~~ subsection ~~(b)~~ of section 4 of the Civil Service
4 Retirement Act of May 29, 1930, as amended, is amended
5 to read as follows:

6 ~~“(b) Any officer or employee to whom this Act applies~~
7 who shall have attained the age of sixty years and have
8 rendered at least five years of service computed as prescribed
9 in section 5 may voluntarily retire and shall be paid an
10 annuity computed as provided in section 4.”

1 ~~(b)~~ Subsection ~~(d)~~ of such section is amended to read
2 as follows:

3 “(d) Any officer or employee to whom this Act applies
4 who shall have attained the age of fifty years and have
5 rendered at least twenty years of service computed as pre-
6 scribed in section 5 may voluntarily retire, with the approval
7 of the head of the department or agency concerned (or
8 without such approval if the sum of ~~(1)~~ the years of such
9 service and ~~(2)~~ the age of such officer or employee as of
10 the most recent anniversary of the date of his birth, equals
11 eighty or more), and shall be paid an immediate life
12 annuity having a value equal to an annuity computed as
13 provided in section 4 reduced by one-fourth of 1 per centum
14 for each full month such officer or employee is under the
15 age of sixty years.”

16 ~~(c)~~ Subsection ~~(c)~~ of such section is hereby repealed.

17 SEC. 2. The last sentence in section 2 of such Act
18 is amended to read as follows: “Any person whose annuity
19 is terminated under this section or under section 7 ~~(b)~~
20 shall, upon the termination of his appointment, be entitled
21 to be paid an annuity equal to the annuity he was receiving
22 prior to his reemployment increased by an amount computed
23 as provided in section 4 or section 7 ~~(a)~~, whichever may
24 be applicable, with respect to so much of the service per-
25 formed during such reemployment as, when added to the

1 service upon which the annuity he was receiving prior to
 2 such reemployment was based, does not exceed thirty-five
 3 years; except that if the employment by reason of which
 4 his annuity is terminated is in a position not within the
 5 purview of this Act, the annuity shall be resumed in the
 6 same amount upon termination of such employment."

7 SEC. 3. Paragraph ~~(3)~~ of section 3A of such Act is
 8 amended by inserting before the period at the end of such
 9 paragraph a colon and the following: "*Provided*, That any
 10 person who shall have become separated from the service
 11 after having had at least six years of service as a Member
 12 of Congress and after having attained the age of forty years
 13 may elect to receive an immediate annuity beginning ~~(1)~~
 14 at the age of fifty-five or at the date of separation from
 15 the service if subsequent to that age, or ~~(2)~~ at the date
 16 upon which he makes application therefor, whichever is
 17 later, equal to an annuity computed as provided in para-
 18 graph 5 reduced by one-fourth of 1 per centum for each
 19 full month such person is under the age of 62".

20 SEC. 4. ~~(a)~~ Subsection ~~(a)~~ of section 4 of such Act
 21 is amended to read as follows:

22 "~~(a)~~ The annuity of an officer or employee retired
 23 under subsection ~~(a)~~, ~~(b)~~, or ~~(c)~~ of section 1 shall be
 24 a life annuity, terminable upon the death of the annuitant
 25 and shall be an amount equal to the following: ~~(1)~~ $1\frac{1}{2}$

1 per centum of the average annual basic salary, pay, or
 2 compensation received by the officer or employee during
 3 any five consecutive years of allowable service at the
 4 option of the employee multiplied by the years of service
 5 not exceeding thirty-five; or ~~(2)~~ 1 per centum of the
 6 highest average annual basic salary, pay, or compensation
 7 received by the officer or employee during five consecutive
 8 years of allowable service multiplied by the years of service
 9 not exceeding thirty-five, plus a sum equal to \$25 for
 10 each year of such service not exceeding thirty-five, but no
 11 such annuity shall exceed an amount equal to 90 per
 12 centum of the highest average annual basic salary, pay,
 13 or compensation received by the officer or employee during
 14 five consecutive years of allowable service."

15 ~~(b)~~ Subsection ~~(b)~~ of such section is hereby repealed.

16 ~~(c)~~ ~~(1)~~ Subsection ~~(d)~~ of such section is amended
 17 by striking out "~~(a)~~ equal to or ~~(b)~~ 50 per centum of"
 18 and inserting in lieu thereof the following: "equal to ~~(a)~~
 19 50 per centum or ~~(b)~~ 25 per centum of".

20 ~~(2)~~ Such subsection is further amended by striking
 21 out the proviso at the end thereof.

22 SEC. 5. ~~(a)~~ Such Act is amended by inserting after
 23 section 4 thereof a new section as follows:

24 "SEC. 4A. ~~(a)~~ In any case in which an officer or
 25 employee to whom this Act applies ~~(other than a person~~

1 subject to the provisions of section 3A) dies, after having
2 served for a total period of not less than five years and before
3 becoming eligible for retirement, and is survived by a widow
4 or a permanently disabled dependent widower, such widow
5 or widower shall be paid an immediate annuity terminable
6 upon death or remarriage (or upon recovery from disability
7 in the case of a widower) in an amount equal to one-half
8 the amount of an annuity computed as provided in section
9 4 with respect to such officer or employee. For the purpose
10 of such computation an officer or employee who shall have
11 served for a total period of less than fifteen years shall be
12 deemed to have served for a total period of fifteen years.
13 The annuity of a widow or widower under this subsection
14 shall not exceed \$900; except that such annuity shall not
15 be less than the amount of the annuity purchasable with
16 respect to such widow or widower with the sum to the
17 credit of the officer's or employee's individual account as
18 provided in section 12 (a).

19 “(b) In any case in which an annuitant under section
20 1, section 6, or section 7 of this Act dies and is survived
21 by a widow or a permanently disabled dependent widower,
22 such widow or widower shall be paid an immediate annuity
23 terminable upon death or remarriage (or upon recovery from
24 disability in the case of a widower) in an amount equal to
25 one-half the amount of the annuity which such annuitant

1 was receiving at the time of his death, except that the
2 annuity of a widow or widower under this subsection shall
3 not exceed \$900.

4 “~~(c)~~ ~~(1)~~ In any case in which an officer or employee
5 to whom this Act applies and who has served for a total
6 period of not less than five years or an annuitant under
7 section ~~1~~, section 6, or section 7 of this Act dies and leaves
8 a surviving widow or widower and a surviving child or
9 children, each such child shall be paid an immediate annuity
10 in an amount equal to one-half of the amount of the annuity
11 payable under subsection ~~(a)~~ or subsection ~~(b)~~ to such
12 widow or widower, but not to exceed \$900 divided by the
13 number of such children or \$360, whichever is lesser. Upon
14 the death of such widow or widower the annuity of such
15 child or children shall be recomputed and paid as provided
16 in paragraph ~~(2)~~.

17 “~~(2)~~ In any case in which such officer, employee, or
18 annuitant dies and leaves no surviving widow or widower but
19 leaves a surviving child or children, each such child shall
20 be paid an immediate annuity in an amount equal to the
21 amount of the annuity which would have been payable under
22 subsection ~~(a)~~ or subsection ~~(b)~~ had such officer, employee,
23 or annuitant been survived by a widow or widower, but not
24 to exceed \$1,200 divided by the number of such children
25 or \$480, whichever is lesser.

1 “(3) The annuity payable to a child under this sub-
 2 section shall be terminable upon ~~(A)~~ his attaining the age
 3 of eighteen years, ~~(B)~~ his marriage, or ~~(C)~~ his death,
 4 whichever first occurs, except that if such child is incapable
 5 of self-support by reason of mental or physical disability his
 6 annuity shall be terminable only upon death, marriage, or
 7 recovery from such disability.

8 “(4) In any case in which the annuity of a child,
 9 under this subsection, is terminated, the annuities of any
 10 other child or children, based upon the service of the same
 11 officer, employee, or annuitant, shall be recomputed and paid
 12 as though the child whose annuity was so terminated had not
 13 survived such officer, employee, or annuitant.

14 “(d) In any case in which an officer or employee to
 15 whom this Act applies and who has served for a total period
 16 of not less than five years or an annuitant under section 1,
 17 section 6, or section 7 of this Act dies and is survived by a
 18 dependent parent and is not survived by widow, widower, or
 19 child entitled to an annuity under the foregoing provisions of
 20 this section, such dependent parent shall be paid an imme-
 21 diate annuity terminable upon death in an amount equal to
 22 the amount of an annuity payable under subsection ~~(a)~~ or
 23 subsection ~~(b)~~, as the case may be. If two dependent par-
 24 ents survive such officer, employee, or annuitant, the annuity
 25 payable under this subsection shall be paid to such parents in

1 equal shares, and upon the death of one such parent his share
2 shall be paid to the survivor.

3 “~~(e)~~ As used in this subsection—

4 “~~(1)~~ The term ‘widow’ means a surviving wife of an
5 individual, who either ~~(A)~~ shall have been married to such
6 individual for at least five years immediately preceding his
7 retirement under this Act, ~~(B)~~ shall have been married to
8 such individual for at least five years immediately preceding
9 his death, and if such individual is an annuitant under this Act
10 at the time of his death, is not more than ten years younger
11 than such individual, or ~~(C)~~ is the mother of issue by such
12 marriage.

13 “~~(2)~~ The term ‘permanently disabled dependent wid-
14 ower’ means a surviving husband of an individual, who shall
15 have been married to such individual for at least five years
16 immediately preceding her retirement under this Act or
17 five years immediately preceding her death if she died before
18 becoming eligible for retirement, who is incapable because
19 of permanent physical or mental disability of supporting
20 himself, and who was wholly dependent upon and supported
21 by such individual at the time of such individual’s death.

22 “~~(3)~~ The term ‘child’ means an unmarried child under
23 the age of eighteen, or an unmarried child who because of
24 physical or mental disability is incapable of self-support,
25 but does not include a stepchild or an adopted child.

1 “(4) The term ‘dependent parent’ means the mother
2 or father of an individual who, at the time of the death of
3 such individual, was wholly dependent upon and supported
4 by such individual, but does not include a stepmother or
5 stepfather or a mother or father by adoption.

6 “(f) Questions of dependency and disability arising
7 under this section shall be determined by the Civil Service
8 Commission and its decisions with respect to such matters
9 shall be final and conclusive and shall not be subject to
10 review. The Commission may order or direct at any time
11 such medical or other examinations as it shall deem neces-
12 sary to determine the facts relative to the nature and degree
13 of disability of any annuitant or applicant for annuity under
14 this section, and may suspend or deny any such annuity
15 for failure to submit to any such examination.

16 “(g) The annuity payable to an individual under this
17 section shall be in addition to and not in lieu of any annuity
18 to which such individual may be entitled as a result of an
19 election made by an officer or employee pursuant to section
20 4 (d).

21 “(h) In any case in which an individual is eligible
22 for an annuity under this subsection and is also eligible for
23 an annuity under section 4, section 6, or section 7, such

1 individual shall be required to elect which of such annuities
2 he is to receive.”

3 ~~(b)~~ ~~(1)~~ Subsection ~~(c)~~ of section 12 of such Act is
4 amended to read as follows:

5 “~~(c)~~ In case ~~(1)~~ an annuitant under section 1, sec-
6 tion 6, or section 7 shall die without having received in
7 annuities purchasable with the sum to the credit of the
8 employee’s individual account an amount equal to the total
9 amount to his credit at the time of his retirement; or ~~(2)~~
10 the annuity of an annuitant under subsection ~~(a)~~ of section
11 4A shall terminate before he and any other persons who shall
12 have received an annuity based upon the service of the
13 employee shall have received in annuities an aggregate
14 amount equal to the amount to the credit of such employee’s
15 individual account as of the date of such employee’s death
16 and no other person is entitled to an annuity based upon
17 such service, the amount remaining to credit of such em-
18 ployee and any accrued annuity shall be paid, upon the
19 establishment of a valid claim therefor, in the following
20 order of precedence:

21 “First, to the beneficiary or beneficiaries designated in
22 writing by such employee and recorded on his individual
23 account;

24 “Second, if there be no such beneficiary, to the duly

1 appointed executor or administrator of the estate of such
2 employee;

3 “Third, if there be no such beneficiary, or executor or
4 administrator, payment may be made, after the expiration
5 of thirty days from the date of the death of such annuitant,
6 to such person or persons as may appear, in the judgment of
7 the Civil Service Commission to be legally entitled thereto,
8 and such payment shall be a bar to recovery by any other
9 person.

10 “In any case in which an annuitant under section 4 or
11 section 7 has elected to receive an increased annuity as
12 provided in section 4 of this Act, the amount to be paid
13 under the provisions of this subsection shall be only the
14 accrued annuity.”

15 (2) So much of subsection (d) of such section as
16 precedes the colon therein is amended to read as follows:

17 “(d) In case an employee shall die without having
18 attained eligibility for retirement or without having estab-
19 lished a valid claim for annuity, and in case no other person
20 has established a valid claim for an annuity based upon the
21 service of such employee, the total amount of his deductions
22 with interest thereon shall be paid upon the establishment
23 of a valid claim therefor, in the following order of
24 precedence.”

1 ~~(e)~~ In any case in which the widow of an annuitant
 2 who died prior to the date of enactment of this Act would
 3 be eligible for an annuity under the provisions of subsection
 4 ~~(b)~~ of section 4A of the Civil Service Retirement Act of
 5 May 29, 1930, as amended, if such annuitant had died on
 6 the date of enactment of this Act, such annuitant shall be
 7 deemed for the purposes of such section to have died on
 8 such date.

9 SEC. 6. ~~(a)~~ Section 6 of such Act is amended by in-
 10 serting after the colon preceding the first proviso in such
 11 section the following: "*Provided*, That any such person who
 12 shall have served for a total period of less than fifteen years
 13 shall be considered, for the purposes of such computation,
 14 to have served for a total period of fifteen years."

15 ~~(b)~~ Such section is further amended by inserting after
 16 the second paragraph thereof a new paragraph as follows:

17 "~~A~~ recovered disability annuitant ~~(other than a person~~
 18 who at the time of retirement held an office or position in
 19 the legislative branch of the Government or an office to
 20 which he was appointed by the President by and with the
 21 advice and consent of the Senate) shall, upon application
 22 therefor filed within one year from the date of the medical
 23 examination showing such recovery, be restored to the posi-
 24 tion he occupied at the time of retirement or to a position
 25 of like seniority, status, and pay."

1 SEC. 7. Subsections ~~(a)~~ and ~~(b)~~ of section 7 of such
2 Act are amended to read as follows:

3 “~~(a)~~ Should any officer or employee to whom this Act
4 applies become separated from the service after having
5 served for a total period of not less than five years and before
6 becoming eligible for retirement, such officer or employee
7 shall be paid an annuity beginning at the age of sixty years
8 ~~(or at age of separation if subsequent to age sixty)~~ com-
9 puted as provided in section 4, except that any such officer
10 or employee involuntarily separated from the service not
11 by removal for cause on charges of misconduct or delinquency
12 after having attained the age of forty years may elect to
13 receive an annuity beginning ~~(1)~~ at the age of fifty-five
14 or at the date of separation from the service if subsequent
15 to that age, or ~~(2)~~ at the date upon which he makes ap-
16 plication therefor, whichever is later, in an amount equal to
17 the amount of an annuity computed as provided in section 4
18 reduced by one-fourth of 1 per centum for each full month
19 such officer or employee is under the age of sixty.

20 “~~(b)~~ Should an annuitant under the provisions of this
21 section become reemployed in a position in the service of
22 the United States or the District of Columbia his annuity
23 shall terminate and any right to an immediate or deferred
24 annuity shall cease as of the date of such reemployment.”

25 SEC. 8. ~~(a)~~ Section 9 of such Act is amended by strik-

1 ing out "on and after July 1, 1942," and inserting in lieu
2 thereof the following: "after June 30, 1942, and prior to
3 January 1, 1948, and also 6 per centum of such basic salary,
4 pay, or compensation for services rendered after December
5 31, 1947,".

6 (b) The first sentence in section 10 of such Act is
7 amended to read as follows: "There shall be deducted and
8 withheld from the basic salary, pay, or compensation of
9 each officer and employee to whom this Act applies a sum
10 equal to 6 per centum of such officer's or employee's basic
11 salary, pay, or compensation."

12 (c) The amendment made by subsection (b) shall be-
13 come effective on January 1, 1948.

14 SEC. 9. (a) Section 9 of such Act is further amended
15 by striking out " , less \$1 for each month, or major fraction
16 thereof, of service after the effective date of this Act,".

17 (b) Subsection (a) of section 12 of such Act is amended
18 by striking out " , less the sum of \$1 per month or major
19 fraction thereof,".

20 (c) The amendments made by this section shall become
21 effective on January 1, 1948.

22 SEC. 10. Subsection (b) of section 12 is amended to
23 read as follows:

24 "(b) (1) In the case of any officer or employee to
25 whom this Act applies who is transferred to a position

1 not within the purview of this Act, or who becomes abso-
2 lutely separated from the service, before he shall have
3 completed an aggregate of five years of service computed
4 in accordance with section 5 of this Act, the amount of
5 deductions from his basic salary, pay, or compensation
6 credited to his account, together with interest at 4 per
7 centum per annum compounded on December 31 of each
8 year shall be returned to such officer or employee; except
9 that if such separation from the service is involuntary
10 and not by removal for cause on charges of misconduct
11 or delinquency the total amount of deductions from his
12 basic salary, pay, or compensation with interest at 4 per
13 centum compounded on December 31 of each year shall
14 be returned to such officer or employee: *Provided*, That
15 no such interest shall be allowed on the amounts so returned
16 unless the period of service covered thereby aggregates
17 more than two years.

18 “(2) In the case of any officer or employee to whom
19 this Act applies who, after completing five or more years
20 of service computed in accordance with section 5 of this
21 Act and prior to attaining the age of fifty years, is trans-
22 ferred to a position not within the purview of this Act or
23 becomes absolutely separated from the service, the amount
24 of deductions from his basic salary, pay, or compensation
25 credited to his account, together with interest at the rate of

1 4 per centum per annum compounded on December 31 of
2 each year shall, upon application therefor filed within two
3 years after such separation or transfer, be returned to such
4 officer or employee; except that if such separation from the
5 service is involuntary and not by removal for cause on
6 charges of misconduct or delinquency the total amount of
7 deductions from his basic salary, pay, or compensation with
8 interest at 4 per centum compounded on December 31 of
9 each year shall, upon application therefor filed within two
10 years after such separation, be returned to such officer or
11 employee.

12 “(3) No officer or employee who receives a return of
13 deductions under this section shall thereafter become eli-
14 gible for an annuity under this Act unless he (A) is re-
15 employed for a period of at least five years in a position
16 within the purview of this Act, and (B) redeposits the
17 amounts so returned with interest at 4 per centum com-
18 pounded on December 31 of each year, but such interest
19 shall not be required with respect to any period of separa-
20 tion from the service.

21 “(4) In computing interest under this subsection, a
22 fractional part of a month in the total service of an officer
23 or employee shall be disregarded.”

24 SEC. 11. The annuities of all persons retired prior to

1 the date of enactment of this Act under the provisions of
2 the Act entitled "An Act for the retirement of employees
3 in the classified civil service, and for other purposes",
4 approved May 22, 1920, as amended, or of the Civil Service
5 Retirement Act of May 29, 1930, as amended, except a
6 person retired under the provisions of section 3A of such
7 Act of May 29, 1930, as amended, shall be increased,
8 effective on the first day of the first month which begins
9 after such date, by 25 per centum, or \$300, whichever is
10 the lesser.

11 *That section 1 of the Civil Service Retirement Act of May*
12 *29, 1930, as amended, is amended to read as follows:*

13 "SEC. 1. (a) Any officer or employee to whom this Act
14 applies who shall have attained or shall hereafter attain the
15 age of sixty years and have rendered at least ten years of
16 service computed as prescribed in section 5 of this Act shall,
17 upon separation from the service, be paid an annuity com-
18 puted as provided in section 4 of this Act.

19 (b) Any officer or employee to whom this Act applies
20 who shall have attained the age of fifty-five years and have
21 rendered at least ten years of service computed as prescribed
22 in section 5 may voluntarily retire and shall be paid an
23 immediate life annuity computed as provided in section 4
24 of this Act, reduced by one-half of 1 per centum for each full

1 month such officer or employee is under the age of sixty
2 years.

3 (c) Any officer or employee to whom this Act applies,
4 after having rendered at least twenty-five years of service
5 computed as prescribed in section 5 of this Act, (1) upon
6 involuntary separation from the service not by removal for
7 cause on charges of misconduct or delinquency, or (2)
8 upon voluntary separation from the service if such officer or
9 employee had accepted a position with a lower rate of basic
10 salary, pay, or compensation after having been so involun-
11 tarily separated from a position with a higher rate of basic
12 salary, pay, or compensation, and was receiving less than
13 such higher rate at the time of his voluntary separation, shall
14 be paid an immediate life annuity computed as provided in
15 section 4 of this Act reduced by one-fourth of 1 per centum
16 for each full month such officer or employee is under the age
17 of sixty years.”

18 SEC. 2. Section 2 of the Act of May 29, 1930, as
19 amended, is amended to read as follows:

20 “SEC. 2. (a) Except as provided in section 204 of
21 the Act of June 30, 1932 (47 Stat. 404), and section 3
22 of the Act of July 13, 1937 (50 Stat. 512), any officer
23 or employee to whom this Act applies who shall have com-
24 pleted ten years of service computed as provided in section
25 5 of this Act, shall, on the last day of the month in which

1 he attains the age of seventy years, or completes ten years
2 of service if then beyond such age, be automatically separated
3 from the service, and all salary, pay, or compensation shall
4 cease from that date, and the head of each department,
5 branch, or independent office of the Government concerned
6 shall notify each such employee under his direction of the
7 date of his separation from the service at least sixty days
8 in advance thereof: Provided, That should the head of the
9 department, branch, or independent office fail, through error,
10 to give timely notification, the employee's separation from
11 the service shall not be effected without his consent until
12 the expiration of said sixty-day period. Upon such separa-
13 tion, the officer or employee shall be eligible for retirement
14 on annuity as provided in section 4 hereof.

15 “(b) No person who is receiving an annuity under the
16 provisions of this Act and who has reached the age of sixty
17 years shall be eligible again to appointment to any appointive
18 office, position, or employment under the Government of
19 the United States or of the District of Columbia, unless
20 the appointing authority determines that he is possessed
21 of special qualifications: Provided, That no deductions for
22 the retirement fund shall be withheld from the salary, pay,
23 or compensation of such person, but there shall be deducted
24 from his salary, pay, or compensation otherwise payable a
25 sum equal to the retirement annuity allocable to the period

1 of actual employment: Provided further, That the annuity
2 in such case shall not be redetermined upon such person's
3 subsequent separation from the service."

4 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
5 May 29, 1930, as amended, is amended to read as follows:

6 "(6) (a) In the case of a Member of Congress who
7 becomes separated from the service before he completes an
8 aggregate of six years of service as a Member of Congress,
9 and who is not retired for disability, the total amount de-
10 ducted from his basic salary, pay, or compensation as a
11 Member of Congress shall be returned to such Member of
12 Congress. No such Member of Congress shall thereafter
13 become eligible to receive an annuity as provided in this
14 section unless the amounts so returned are redeposited with
15 interest at 4 per centum compounded on December 31 of
16 each year, but interest shall not be required covering any
17 period of separation from the service.

18 "(b) In case a Member of Congress shall die the total
19 sums deducted from his basic salary, pay, or compensation
20 or deposited by him, together with interest at 4 per centum
21 per annum to December 31, 1947, and at 3 per centum per
22 annum thereafter, compounded on December 31 of each year
23 shall be paid, upon the establishment of a valid claim there-
24 for, in the order of precedence prescribed in section 12.

25 "(c) In case a former Member of Congress receiving

1 an annuity under this section shall die without having re-
2 ceived in annuities an amount equal to the amount of
3 annuities purchaseable with the total sums deducted from
4 his basic salary, pay, or compensation or deposited by him,
5 together with interest at 4 per centum per annum to Decem-
6 ber 31, 1947, and at 3 per centum per annum thereafter,
7 compounded on December 31 of each year, the difference
8 and/or any accrued annuity due shall be paid, upon the
9 establishment of a valid claim therefor, in the order of
10 precedence prescribed in section 12."

11 (b) Except as provided in this section the amendments
12 made by this Act shall not apply to any person subject to the
13 provisions of section 3A of the Act of May 29, 1930, as
14 amended.

15 SEC. 4. Section 4 of the Act of May 29, 1930, as
16 amended, is amended to read as follows:

17 "SEC. 4. (a) The annuity of an officer or employee
18 retired under this Act shall be a life annuity, terminable
19 upon the death of the annuitant and shall be an amount
20 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
21 annual basic salary, pay, or compensation received by the
22 officer or employee during any five consecutive years of
23 allowable service at the option of the officer or employee
24 multiplied by the years of service, or (2) 1 per centum of

1 the average annual basic salary, pay, or compensation re-
2 ceived by the officer or employee during any five consecutive
3 years of allowable service at the option of the officer or
4 employee multiplied by the years of service, plus a sum
5 equal to \$25 for each year of such service: Provided, That
6 if deposit or redeposit under section 7, 9, or 12 (b) hereof
7 has not been made, the annuity for the period or periods of
8 service covered by the deposit or redeposit shall be in an
9 amount equal to 1 per centum of the average annual basic
10 salary, pay, or compensation received by the officer or
11 employee during any five consecutive years of allowable
12 service at the option of the officer or employee multiplied by
13 the years of such service: Provided further, That in no case
14 shall the annuity exceed an amount equal to 90 per centum
15 of the highest average annual basic salary, pay, or compen-
16 sation received by the officer or employee during five con-
17 secutive years of allowable service.

18 “(b) Any officer or employee retiring under the pro-
19 visions of this Act may at the time of his retirement elect
20 to receive in lieu of the life annuity described herein a
21 reduced annuity payable to him during his life, and an
22 annuity after his death payable to a survivor annuitant,
23 duly designated in writing and filed with the Civil Service
24 Commission at the time of his retirement, during the life
25 of such survivor annuitant equal to 50 per centum of such

1 reduced annuity and upon the death of such survivor annui-
2 tant all payments shall cease and no further annuity shall
3 be due and payable. The annuity hereunder payable to
4 the officer or employee shall be 90 per centum of the life
5 annuity otherwise payable if the survivor annuitant is the
6 same age or older than the annuitant, or is less than five
7 years younger than the annuitant; 85 per centum if the
8 survivor annuitant is five but less than ten years younger;
9 80 per centum if the survivor annuitant is ten but less than
10 fifteen years younger; 75 per centum if the survivor annui-
11 tant is fifteen but less than twenty years younger; 70 per
12 centum if the survivor annuitant is twenty but less than
13 twenty-five years younger; and 60 per centum if the sur-
14 vivor annuitant is twenty-five or more years younger: Pro-
15 vided, That no person may be designated as survivor an-
16 nuitant unless he shall be related to the employee within
17 one of the following classes: husband or wife; child (includ-
18 ing stepchild or legally adopted child but excluding grand-
19 child); parent (including stepparent or adopted parent);
20 brother or sister (including those of half or whole blood,
21 stepbrother or sister).

22 “(c) For the purpose of this Act all periods of service
23 shall be computed in accordance with section 5 hereof, and
24 the monthly annuity installment shall be fixed at the nearest
25 dollar.

1 “(d) The term ‘basic salary, pay, or compensation’,
2 *wherever used in this Act, shall be so construed as to exclude*
3 *from the operation of the Act all bonuses, allowances, over-*
4 *time pay, or salary, pay, or compensation given in addition*
5 *to the base pay of the position as fixed by law or regulation.”*

6 *SEC. 5. The first paragraph of section 5 of the Act of*
7 *May 29, 1930, as amended, is amended to read as follows:*

8 *“Subject to the provisions of section 9 hereof, the aggre-*
9 *gate period of service which forms the basis for calculating the*
10 *amount of any annuity provided in this Act shall be computed*
11 *from the date of original employment, whether as a classified*
12 *or an unclassified officer or employee in the civil service of*
13 *the United States, or in the service of the District of Colum-*
14 *bia, including periods of service at different times and in*
15 *one or more departments, branches, or independent offices,*
16 *or the legislative branch of the Government, and also periods*
17 *of service performed overseas under authority of the United*
18 *States, and periods of honorable service in the Army, Navy,*
19 *Marine Corps, or Coast Guard of the United States; in the*
20 *case of an officer or employee, however, who is eligible for*
21 *and receives retired pay on account of military or naval*
22 *service, the period of service upon which such retired pay*
23 *is based shall not be included, except that in the case of an*
24 *officer or employee who is eligible for and receives retired*
25 *pay on account of a service-connected disability incurred in*

1 combat with an enemy of the United States or resulting from
2 an explosion of an instrument of war, the period of the mili-
3 tary service shall be included: *Provided, That an officer or*
4 *employee must have served for a total period of not less than*
5 *five years exclusive of such military or naval service before*
6 *he shall be eligible for annuity under this Act. Nothing in*
7 *this Act shall be construed as to affect in any manner an*
8 *officer's or employee's right to retired pay, pension, or com-*
9 *pensation in addition to the annuity herein provided."*

10 *SEC. 6. The first three paragraphs of section 6 of the*
11 *Act of May 29, 1930, as amended, are amended to read as*
12 *follows:*

13 *"Any officer or employee to whom this Act applies who*
14 *shall have served for a total period of not less than five*
15 *years computed as provided in section 5 of this Act, and*
16 *who, before meeting the age and service requirements for*
17 *retirement under section 1 (a) hereof, becomes totally dis-*
18 *abled for useful and efficient service in the grade or class*
19 *of position occupied by the officer or employee, by reason*
20 *of disease or injury not due to vicious habits, intemper-*
21 *ance, or willful misconduct on the part of the officer or*
22 *employee, shall upon his own application or upon the re-*
23 *quest or order of the head of the department, branch, or*
24 *independent office concerned, be retired on an annuity com-*
25 *puted in accordance with the provisions of section 4 hereof:*

1 *Provided, That proof of freedom from vicious habits, intem-*
2 *perance, or willful misconduct for a period of more than five*
3 *years next prior to becoming so disabled for useful and effi-*
4 *cient service, shall not be required in any case. No officer*
5 *or employee shall be retired under the provisions of this sec-*
6 *tion unless examined by a medical officer of the United*
7 *States, or a duly qualified physician or surgeon, or board*
8 *of physicians or surgeons, designated by the Civil Service*
9 *Commission for that purpose, and found to be disabled in*
10 *the degree and in the manner specified herein. No claim*
11 *shall be allowed under the provisions of this section unless*
12 *the application for retirement shall have been executed prior*
13 *to the applicant's separation from the service or within six*
14 *months thereafter. The time limitation for execution of*
15 *claims for retirement under the terms of this section may be*
16 *waived by the Civil Service Commission in case of an officer*
17 *or employee who at the date of separation from service or*
18 *within six months thereafter is receiving hospital treatment,*
19 *but the application in such case must be filed with the Civil*
20 *Service Commission not later than six months after the ter-*
21 *mination of such hospitalization; in the case of any such per-*
22 *son heretofore separated from service application may be*
23 *filed within six months after the effective date of this Act.*
24 *Such time limitation may similarly be waived in the case*
25 *of an officer or employee who at the date of separation*

1 from service or within six months thereafter is mentally
2 incompetent, but the application in such case must be filed
3 with the Civil Service Commission within one year from
4 the date of restoration of such person to competency or the
5 appointment of a fiduciary whichever is the earlier.

6 "Every annuitant retired under the provisions of this
7 section unless the disability for which retired be permanent
8 in character, shall at the expiration of one year from the date
9 of such retirement and annually thereafter, until reaching
10 age sixty, be examined under the direction of the Civil Serv-
11 ice Commission by a medical officer of the United States, or
12 a duly qualified physician or surgeon, or board of physicians
13 or surgeons designated by the Civil Service Commission for
14 that purpose, in order to ascertain the nature and degree of
15 the annuitant's disability, if any. If an annuitant shall re-
16 cover before reaching age sixty and be restored to an earn-
17 ing capacity which would permit him to be appointed to
18 some appropriate position fairly comparable in compensa-
19 tion to the position occupied at the time of retirement, pay-
20 ment of the annuity shall be continued temporarily to afford
21 the annuitant opportunity to seek such available position,
22 but not in any case exceeding one year from the date of the
23 medical examination showing such recovery. Should the
24 annuitant fail to appear for examination as required under
25 this section, payment of the annuity shall be suspended until

1 continuance of the disability shall have been satisfactorily
2 established. The Civil Service Commission may order or
3 direct at any time such medical or other examination as it
4 shall deem necessary to determine the facts relative to the
5 nature and degree of disability of any officer or employee
6 retired on an annuity under this section.

7 “If a recovered disability annuitant whose annuity is
8 discontinued subsequent to June 30, 1945, shall fail to obtain
9 reemployment in any position included in the provisions of
10 this Act, he shall be considered as having been involuntarily
11 separated from the service within the meaning of section 7 (a)
12 of this Act as of the date he was retired for disability and
13 shall, after the discontinuance of the disability annuity, be
14 entitled to a deferred annuity in accordance with the provi-
15 sions of such section.”

16 SEC. 7. Section 7 of the Act of May 29, 1930, as
17 amended, is amended to read as follows:

18 “SEC. 7. (a) Should any officer or employee to whom
19 this Act applies, after having served a total of five years
20 computed as prescribed in section 5 of this Act and before
21 becoming eligible for retirement on annuity under section
22 1 (a) become involuntarily separated not by removal for
23 cause on charges of misconduct or delinquency, such officer
24 or employee shall be paid as he may elect, (A) a deferred
25 annuity beginning at the age of sixty-two years computed

1 as provided in section 4 of this Act, or (B) the total amount
 2 credited to his individual account plus a reduced deferred
 3 annuity beginning at the age of sixty-two years computed as
 4 provided in section 4 of this Act.

5 “(b) Should any officer or employee to whom this Act
 6 applies, other than an officer or employee described in sub-
 7 section (a), after having served a total of ten years com-
 8 puted as prescribed in section 5 of this Act and before becom-
 9 ing eligible for retirement on annuity under section 1 (a),
 10 become separated from the service, such officer or employee
 11 shall be paid as he may elect, (A) a deferred annuity be-
 12 ginning at the age of sixty-five years computed as provided
 13 in section 4 of this Act, or (B) the total amount credited to
 14 his individual account plus a reduced deferred annuity be-
 15 ginning at the age of sixty-five years computed as provided
 16 in section 4 of this Act.

17 “(c) No officer or employee who receives a return of
 18 deductions under this section shall thereafter receive full
 19 credit for the period of service covered by the refund unless
 20 he shall be reemployed in a position within the purview of
 21 this Act and redeposit the amount so returned.”

22 SEC. 8. Section 8 of the Act of May 29, 1930, as
 23 amended, is amended to read as follows:

24 “SEC. 8. In the case of any officer or employee who
 25 before the effective date of this Act shall have been retired

1 on annuity under the provisions of the Act of May 22, 1920,
2 as amended, or section 8 (a) of the Act of June 16, 1933,
3 the annuity shall be increased, effective on the first day of
4 the fourth month following the month in which this Act is
5 enacted by 25 per centum or \$300, whichever is the lesser:
6 Provided, That each such annuitant may, prior to the ef-
7 fective date herein prescribed, elect to retain his present
8 annuity, in lieu of the increased annuity provided by this
9 section, and name his wife to receive upon his death one-
10 half of his present annuity during the remainder of her life
11 and upon her death no further annuity shall be due or
12 payable.

13 "In case any officer or employee shall have been sep-
14 arated subsequent to January 23, 1942, and prior to date
15 of approval of this Act and have acquired title to annuity
16 under section 7 of the Act of May 29, 1930, as amended,
17 beginning after such date of approval, such annuity shall be
18 computed in accordance with section 4 of this Act but any
19 reduction applicable thereto shall be determined as if this
20 Act had not been enacted: Provided, That any such officer
21 or employee may elect to forfeit his right to such annuity
22 and elect in lieu thereof to receive the benefits provided by
23 section 7 of this Act."

24 SEC. 9. Section 9 of the Act of May 29, 1930, as
25 amended, is amended to read as follows:

1 “*SEC. 9. Each officer or employee within the purview*
2 *of this Act may deposit to the credit of the ‘civil-service*
3 *retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum*
4 *of his basic salary, pay, or compensation received for services*
5 *rendered after July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$*
6 *per centum of the basic salary, pay, or compensation for*
7 *services rendered from and after July 1, 1926, and prior to*
8 *July 1, 1942; 5 per centum of such basic pay, salary, or*
9 *compensation for services rendered from and after July 1,*
10 *1942, and prior to the first day of the first pay period in*
11 *1948, and also 6 per centum thereafter, covering service dur-*
12 *ing which no deductions were withheld for deposit in the said*
13 *fund. Each such officer or employee may elect to make such*
14 *deposits in installments during the continuance of his service*
15 *in such amounts and under such conditions as may be deter-*
16 *mined in each instance by the Civil Service Commission.*
17 *The amount so deposited shall be credited to the individual*
18 *account of the officer or employee in the said fund. Upon*
19 *making such deposit, the officer or employee shall be entitled*
20 *to full credit for the period or periods of service involved:*
21 *Provided, That no deposit shall be required for any service*
22 *rendered prior to August 1, 1920, or for periods of honorable*
23 *service in the Army, Navy, Marine Corps, or Coast Guard of*
24 *the United States.’”*

25 *SEC. 10. The first two paragraphs of section 10 of the*

1 Act of May 29, 1930, as amended, are amended to read as
2 follows:

3 "Beginning as of July 1, 1942, there shall be deducted
4 and withheld from the basic salary, pay, or compensation of
5 each officer or employee to whom this Act applies a sum
6 equal to 5 per centum of such officer's or employee's basic
7 salary, pay, or compensation: Provided, That from and
8 after the first day of the first pay period in 1948, there shall
9 be deducted and withheld from the basic salary, pay, or
10 compensation of each officer or employee to whom this Act
11 applies a sum equal to 6 per centum of such officer's or
12 employee's basic salary, pay, or compensation. The amounts
13 so deducted and withheld from the basic salary, pay, or
14 compensation of each officer or employee shall, in accord-
15 ance with such procedure as may be prescribed by the
16 Comptroller General of the United States, be deposited in
17 the Treasury of the United States to the credit of the 'civil-
18 service retirement and disability fund' created by the Act
19 of May 22, 1920, and said fund is hereby appropriated for
20 the payment of annuities, refunds, and allowances as provided
21 in this Act.

22 "Any officer or employee may at his option and under
23 such regulations as may be prescribed by the Civil Service
24 Commission deposit additional sums in multiples of \$25 but
25 not to exceed 10 per centum of his annual basic salary, pay,

1 or compensation, for service rendered since August 1, 1920,
2 which amount together with interest thereon at 3 per centum
3 per annum compounded as of December 31 of each year,
4 shall, at the date of his retirement, be available to purchase,
5 as he shall elect and in accordance with such rules and
6 regulations as may be prescribed by the Civil Service Com-
7 mission, an annuity in addition to the annuity provided
8 by this Act. The life annuity shall consist of \$7 for each
9 \$100 in case the officer or employee has not reached age
10 sixty; \$8 if he has reached aged sixty but not age sixty-five;
11 \$9 if he has reached age sixty-five but not age seventy; and
12 \$10 if he has reached age seventy. In the event of death
13 or separation from the service of such officer or employee
14 before becoming eligible for retirement on annuity, the total
15 amount so deposited with interest at 3 per centum per
16 annum to date of death or separation compounded on De-
17 cember 31 of each year shall be refunded in accordance with
18 the provisions of section 12 of this Act.”

19 SEC. 11. Section 12 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 12. (a) Under such regulations as may be pre-
22 scribed by the Civil Service Commission the amounts de-
23 ducted and withheld from the basic salary, pay, or compensa-
24 tion of each officer or employee for credit to the ‘civil-service
25 retirement and disability fund’ created by the Act of May

1 22, 1920, covering service from and after August 1, 1920,
2 shall be credited to an individual account of such officer or
3 employee.

4 “(b) (1) In the case of any officer or employee to
5 whom this Act applies who shall become involuntarily
6 separated not by removal for cause on charges of miscon-
7 duct or delinquency, before he shall have completed an
8 aggregate of five years of service computed in accordance
9 with section 5 of this Act, the amounts credited to his indi-
10 vidual account together with interest at 4 per centum per
11 annum to December 31, 1947, and 3 per centum per annum
12 thereafter to date of separation shall be returned to such
13 officer or employee.

14 “(2) In the case of any officer or employee to whom
15 this Act applies who shall be transferred to a position not
16 within the purview of this Act, or who shall become abso-
17 lutely separated from the service (other than by involuntary
18 separation not for cause on charges of misconduct or de-
19 linquency) before he shall have completed an aggregate of
20 ten years of service computed in accordance with section 5
21 of this Act, the amounts credited to his individual account
22 shall be returned to such officer or employee.

23 “(3) All amounts returned to an officer or employee
24 under this subsection must, upon reinstatement, retransfer,
25 or reappointment to a position within the purview of this

1 Act, be redeposited by such officer or employee before he
2 may receive full credit for the service covered by the refund.

3 “(c) (1) In case any officer or employee to whom this
4 Act applies shall die after having rendered at least five years
5 of civilian service computed as prescribed in section 5 of this
6 Act and is survived by a widow, such widow shall be paid
7 an annuity beginning the first day of the month following
8 the death of the officer or employee or following the widow's
9 attainment of age 60, whichever is the later, equal to one-
10 half the amount of an annuity computed as provided in
11 section 4 hereof with respect to such officer or employee:
12 Provided, That such payments shall cease upon death or
13 remarriage of the widow.

14 “(2) In case any officer or employee to whom this
15 Act applies shall die after having rendered at least five years
16 of civilian service computed as prescribed in section 5 of
17 this Act and is survived by a widow and a surviving child
18 or children, such widow shall be paid an immediate an-
19 nuity terminable upon death, remarriage, or upon termi-
20 nation of payments to the last surviving child, equal
21 to one-half the amount of an annuity computed as provided
22 in section 4 hereof with respect to such officer or employee.
23 There shall also be paid to or on behalf of each such child an
24 immediate annuity equal to one-fourth the amount of an
25 annuity computed as provided in section 4 hereof with

1 respect to such officer or employee, but not to exceed \$900
2 divided by the number of such children or \$360, whichever
3 is lesser. Upon the death of such widow, the annuity of
4 such child or children shall be recomputed and paid as
5 provided in section 12 (c) (3) hereof.

6 “(3) In case any officer or employee to whom this
7 Act applies shall die after having rendered at least five
8 years of civilian service computed as prescribed in section
9 5 of this Act and leaves no surviving widow but leaves a
10 surviving child or children, there shall be paid to or on
11 behalf of each such child an immediate annuity equal to
12 one-half the amount of an annuity computed as provided
13 in section 4 hereof with respect to such officer or employee,
14 but not to exceed \$1,200 divided by the number of such
15 children or \$480, whichever is lesser.

16 “(4) The annuity payable to a child under this sub-
17 section shall be terminable upon (A) his attaining the age
18 of eighteen years, (B) his marriage, or (C) his death,
19 whichever first occurs, except that if such child is incapable
20 of self-support by reason of mental or physical disability
21 his annuity shall be terminable only upon death, marriage,
22 or recovery from such disability. In any case in which the
23 annuity of a child, under this subsection, is terminated, the
24 annuities of any other child or children, based upon the serv-
25 ice of the same officer or employee, shall be recomputed and

1 *paid as though the child whose annuity was so terminated*
2 *had not survived such officer or employee.*

3 “(d) *As used in this section—*

4 “(1) *The term ‘widow’ means a surviving wife of an*
5 *individual, who either (A) shall have been married to such*
6 *individual for at least five years immediately preceding his*
7 *death, or (B) is the mother of issue by such marriage.*

8 “(2) *The term ‘child’ means an unmarried child under*
9 *the age of eighteen, or an unmarried child who because of*
10 *physical or mental disability is incapable of self-support, a*
11 *dependent stepchild, or an adopted child.*

12 “(3) *Questions of dependency and disability arising*
13 *under this section shall be determined by the Civil Service*
14 *Commission and its decisions with respect to such matters*
15 *shall be final and conclusive and shall not be subject to re-*
16 *view. The Commission may order or direct at any time*
17 *such medical or other examinations as it shall deem neces-*
18 *sary to determine the facts relative to the nature and degree*
19 *of disability of any annuitant or applicant for annuity under*
20 *this section, and may suspend or deny any such annuity*
21 *for failure to submit to any such examination.*

22 “(e) *In case an officer or employee to whom this Act*
23 *applies shall die (1) before having rendered five years of*
24 *civilian service computed as prescribed in section 5 of this*
25 *Act or without a survivor or survivors entitled to annuity*

1 benefits provided by section 12 (c) hereof the total amount
2 of deductions credited to his individual account with interest
3 thereon at 4 per centum per annum to December 31, 1947,
4 and 3 per centum per annum thereafter compounded on
5 December 31 of each year to date of death, or (2) leaving
6 a survivor or survivors entitled to such annuity benefits the
7 total amount of deductions credited to his individual account
8 without interest, shall be paid upon the establishment of a
9 valid claim therefor, in the following order of precedence:

10 First, to the beneficiary or beneficiaries designated in
11 writing by such officer or employee and recorded with the
12 Civil Service Commission;

13 Second, if there be no such beneficiary, to the duly ap-
14 pointed executor or administrator of the estate of such officer
15 or employee;

16 Third, if there be no such beneficiary or executor or
17 administrator, payment may be made, after the expiration of
18 thirty days from the date of the death of the officer or em-
19 ployee, to such person or persons as may appear in the judg-
20 ment of the Civil Service Commission to be legally entitled
21 thereto, and such payment shall be a bar to recovery by any
22 other person.

23 “(f) In case a retired employee who has not elected a
24 joint and survivorship annuity as provided in section 4 (b)

1 of this Act shall die without having received in annuities an
2 amount equal to the total amount credited to his individual
3 account with interest thereon at 4 per centum per annum to
4 December 31, 1947, and 3 per centum per annum thereafter
5 compounded on December 31 of each year to date of retire-
6 ment, the difference and/or any accrued annuity due shall be
7 paid upon the establishment of a valid claim therefor, in the
8 following order of precedence:

9 First, to the beneficiary or beneficiaries designated in
10 writing by such annuitant and recorded with the Civil Service
11 Commission;

12 Second, if there be no such beneficiary, to the duly
13 appointed executor or administrator of the estate of such
14 annuitant;

15 Third, if there be no such beneficiary, or executor or
16 administrator, payment may be made, after the expiration of
17 thirty days from the date of the death of the annuitant, to
18 such person or persons as may appear in the judgment of the
19 Civil Service Commission to be legally entitled thereto, and
20 such payment shall be a bar to recovery by any other person.

21 “(g) Where any payment under this Act is to be made
22 to a minor, or to a person mentally incompetent or under
23 other legal disability adjudged by a court of competent juris-
24 diction, such payment may be made to the person who is

1 constituted guardian or other fiduciary by the law of the
2 State of residence of such claimant or is otherwise legally
3 vested with the care of the claimant or his estate: Provided,
4 That where no guardian or other fiduciary of the person
5 under legal disability has been appointed under the laws
6 of the State of residence of the claimant, the Civil Service
7 Commission shall determine the person who is otherwise
8 legally vested with the care of the claimant or his estate.

9 “(h) In case a former employee entitled to the return
10 of the amount credited to his individual account shall become
11 legally incompetent, the total amount due may be paid to
12 a duly appointed guardian or committee of such former em-
13 ployee. If the amount of refund due such former employee
14 does not exceed \$1,000, and if there has been no demand
15 upon the Civil Service Commission by a duly appointed
16 guardian or committee, payment may be made, after the
17 expiration of thirty days from date of separation from the
18 service, to such person or persons, in the discretion of the
19 Commission, who may have the care and custody of such
20 former employee, and such payment shall be a bar to
21 recovery by any other person.

22 “(i) Each employee or annuitant to whom this Act
23 applies shall, under regulations prescribed by the Civil
24 Service Commission, designate a beneficiary or beneficiaries
25 to whom shall be paid, upon the death of the employee or

1 annuitant any sum remaining to his credit (including any
2 accrued annuity) under the provisions of this Act.”

3 SEC. 12. The first paragraph of section 13 of the Act of
4 May 29, 1930, as amended, is amended to read as follows:

5 “Annuities granted under the terms of this Act shall
6 accrue monthly and shall be due and payable in monthly
7 installments on the first business day of the month following
8 the month or other period for which the annuity shall have
9 accrued. Payment of all annuities, refunds, and allowances
10 granted hereunder shall be made by checks drawn and issued
11 by the Treasury Department in such form and manner and
12 with such safeguards as shall be prescribed by the Civil
13 Service Commission in accordance with the laws, rules, and
14 regulations governing accounting that may be found applica-
15 ble to such payments.”

16 SEC. 13. The third paragraph of section 13 of the Act
17 of May 29, 1930, as amended, is amended to read as follows:

18 “An annuity granted for retirement under the provisions
19 of section 1 or 2 of this Act shall commence the first day
20 of the month following the date of separation from the service,
21 or on the first day of the month following the month in which
22 salary shall cease provided the employee meets the age and
23 service requirements for retirement at that time, and shall
24 continue during the life of the annuitant. An annuity granted

1 *under the provisions of section 6 or 7 hereof shall be subject*
2 *to the limitations specified in said sections."*

3 *SEC. 14. Section 14 of the Act of May 29, 1930, as*
4 *amended, is hereby repealed.*

80TH CONGRESS
1ST SESSION

S. 637

[Report No. 143]

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. LANGER and Mr. CHAVEZ

FEBRUARY 19, 1947

Read twice and referred to the Committee on
Civil Service

APRIL 25 (legislative day, APRIL 21), 1947

Reported with an amendment

80TH CONGRESS
1ST SESSION

H. R. 3232

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1947

Mr. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:

5 “SEC. 1. (a) Any officer or employee to whom this Act
6 applies who shall have attained or shall hereafter attain the
7 age of sixty years and have rendered at least ten years of
8 service computed as prescribed in section 5 of this Act shall,
9 upon separation from the service, be paid an annuity com-
10 puted as provided in section 4 of this Act.

11 “(b) Any officer or employee to whom this Act applies

1 who shall have attained the age of fifty-five years and have
2 rendered at least ten years of service computed as prescribed
3 in section 5 may voluntarily retire and shall be paid an
4 immediate life annuity computed as provided in section 4
5 of this Act, reduced by one-half of 1 per centum for each full
6 month such officer or employee is under the age of sixty
7 years.

8 “(c) Any officer or employee to whom this Act applies,
9 after having rendered at least twenty-five years of service
10 computed as prescribed in section 5 of this Act, (1) upon
11 involuntary separation from the service not by removal for
12 cause on charges of misconduct or delinquency, or (2) upon
13 voluntary separation from the service if such officer or em-
14 ployee had accepted a position with a lower rate of basic
15 salary, pay, or compensation after having been so involun-
16 tarily separated from a position with a higher rate of basic
17 salary, pay, or compensation, and was receiving less than
18 such higher rate at the time of his voluntary separation, shall
19 be paid an immediate life annuity computed as provided in
20 section 4 of this Act reduced by one-fourth of 1 per centum
21 for each full month such officer or employee is under the age
22 of sixty years.”

23 SEC. 2. Section 2 of the Act of May 29, 1930, as
24 amended, is amended to read as follows:

25 “SEC. 2. (a) Except as provided in section 204 of

1 the Act of June 30, 1932 (47 Stat. 404), and section 3
2 of the Act of July 13, 1937 (50 Stat. 512), any officer
3 or employee to whom this Act applies who shall have com-
4 pleted ten years of service computed as provided in section
5 5 of this Act shall, on the last day of the month in which
6 he attains the age of seventy years, or completes ten years
7 of service if then beyond such age, be automatically separated
8 from the service, and all salary, pay, or compensation shall
9 cease from that date, and the head of each department,
10 branch, or independent office of the Government concerned
11 shall notify each such employee under his direction of the
12 date of his separation from the service at least sixty days
13 in advance thereof: *Provided*, That should the head of the
14 department, branch, or independent office fail, through error,
15 to give timely notification, the employee's separation from
16 the service shall not be effected without his consent until
17 the expiration of said sixty-day period. Upon such separa-
18 tion, the officer or employee shall be eligible for retirement
19 on annuity as provided in section 4 hereof.

20 “(b) No person who is receiving an annuity under the
21 provisions of this Act and who has reached the age of sixty
22 years shall be eligible again to appointment to any appointive
23 office, position, or employment under the Government of
24 the United States or of the District of Columbia, unless
25 the appointing authority determines that he is possessed

1 of special qualifications: *Provided*, That no deductions for
2 the retirement fund shall be withheld from the salary, pay,
3 or compensation of such person, but there shall be deducted
4 from his salary, pay, or compensation otherwise payable a
5 sum equal to the retirement annuity allocable to the period
6 of actual employment: *Provided further*, That the annuity
7 in such case shall not be redetermined upon such person's
8 subsequent separation from the service."

9 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
10 May 29, 1930, as amended, is amended to read as follows:

11 "(6) (a) In the case of a Member of Congress who
12 becomes separated from the service before he completes an
13 aggregate of six years of service as a Member of Congress,
14 and who is not retired for disability, the total amount de-
15 ducted from his basic salary, pay, or compensation as a
16 Member of Congress shall be returned to such Member of
17 Congress. No such Member of Congress shall thereafter
18 become eligible to receive an annuity as provided in this
19 section unless the amounts so returned are redeposited with
20 interest at 4 per centum compounded on December 31 of
21 each year, but interest shall not be required covering any
22 period of separation from the service.

23 "(b) In case a Member of Congress shall die the total
24 sums deducted from his basic salary, pay, or compensation
25 or deposited by him, together with interest at 4 per centum

1 per annum to December 31, 1947, and at 3 per centum per
2 annum thereafter, compounded on December 31 of each year
3 shall be paid, upon the establishment of a valid claim there-
4 for, in the order of precedence prescribed in section 12.

5 “(c) In case a former Member of Congress receiving
6 an annuity under this section shall die without having re-
7 ceived in annuities an amount equal to the amount of
8 annuities purchaseable with the total sums deducted from
9 his basic salary, pay, or compensation or deposited by him,
10 together with interest at 4 per centum per annum to Decem-
11 ber 31, 1947, and at 3 per centum per annum thereafter,
12 compounded on December 31 of each year, the difference
13 and/or any accrued annuity due shall be paid, upon the
14 establishment of a valid claim therefor, in the order of
15 precedence prescribed in section 12.”

16 (b) Except as provided in this section the amendments
17 made by this Act shall not apply to any person subject to the
18 provisions of section 3A of the Act of May 29, 1930, as
19 amended.

20 SEC. 4. Section 4 of the Act of May 29, 1930, as
21 amended, is amended to read as follows:

22 “SEC. 4. (a) The annuity of an officer or employee
23 retired under this Act shall be a life annuity, terminable
24 upon the death of the annuitant and shall be an amount
25 equal to the following: (1) $1\frac{1}{2}$ per centum of the average

1 annual basic salary, pay, or compensation received by the
2 officer or employee during any five consecutive years of
3 allowable service at the option of the officer or employee
4 multiplied by the years of service, or (2) 1 per centum of
5 the average annual basic salary, pay, or compensation re-
6 ceived by the officer or employee during any five consecutive
7 years of allowable service at the option of the officer or
8 employee multiplied by the years of service, plus a sum
9 equal to \$25 for each year of such service: *Provided*, That
10 if deposit or redeposit under section 7, 9, or 12 (b) hereof
11 has not been made, the annuity for the period or periods of
12 service covered by the deposit or redeposit shall be in an
13 amount equal to 1 per centum of the average annual basic
14 salary, pay, or compensation received by the officer or
15 employee during any five consecutive years of allowable
16 service at the option of the officer or employee multiplied by
17 the years of such service: *Provided further*, That in no case
18 shall the annuity exceed an amount equal to 90 per centum
19 of the highest average annual basic salary, pay, or compen-
20 sation received by the officer or employee during five con-
21 secutive years of allowable service.

22 “(b) Any officer or employee retiring under the pro-
23 visions of this Act may at the time of his retirement elect
24 to receive in lieu of the life annuity described herein a
25 reduced annuity payable to him during his life, and an

1 annuity after his death payable to a survivor annuitant,
2 duly designated in writing and filed with the Civil Service
3 Commission at the time of his retirement, during the life
4 of such survivor annuitant equal to 50 per centum of such
5 reduced annuity and upon the death of such survivor annui-
6 tant all payments shall cease and no further annuity shall
7 be due and payable. The annuity hereunder payable to
8 the officer or employee shall be 90 per centum of the life
9 annuity otherwise payable if the survivor annuitant is the
10 same age or older than the annuitant, or is less than five
11 years younger than the annuitant; 85 per centum if the
12 survivor annuitant is five but less than ten years younger;
13 80 per centum if the survivor annuitant is ten but less than
14 fifteen years younger; 75 per centum if the survivor annui-
15 tant is fifteen but less than twenty years younger; 70 per
16 centum if the survivor annuitant is twenty but less than
17 twenty-five years younger; and 60 per centum if the sur-
18 vivor annuitant is twenty-five or more years younger: *Pro-*
19 *vided*, That no person may be designated as survivor an-
20 nuitant unless he shall be related to the employee within
21 one of the following classes: Husband or wife; child (includ-
22 ing stepchild or legally adopted child but excluding grand-
23 child); parent (including stepparent or adopted parent);
24 brother or sister (including those of half or whole blood,
25 stepbrother or sister).

1 “(c) For the purpose of this Act all periods of service
2 shall be computed in accordance with section 5 hereof, and
3 the monthly annuity installment shall be fixed at the nearest
4 dollar.

5 “(d) The term ‘basic salary, pay, or compensation’,
6 wherever used in this Act, shall be so construed as to exclude
7 from the operation of the Act all bonuses, allowances, over-
8 time pay, or salary, pay, or compensation given in addition
9 to the base pay of the position as fixed by law or regulation.”

10 SEC. 5. The first paragraph of section 5 of the Act of
11 May 29, 1930, as amended, is amended to read as follows:

12 “Subject to the provisions of section 9 hereof, the aggre-
13 gate period of service which forms the basis for calculating the
14 amount of any annuity provided in this Act shall be computed
15 from the date of original employment, whether as a classified
16 or an unclassified officer or employee in the civil service of
17 the United States, or in the service of the District of Colum-
18 bia, including periods of service at different times and in
19 one or more departments, branches, or independent offices,
20 or the legislative branch of the Government, and also periods
21 of service performed overseas under authority of the United
22 States, and periods of honorable service in the Army, Navy,
23 Marine Corps, or Coast Guard of the United States; in the
24 case of an officer or employee, however, who is eligible for
25 and receives retired pay on account of military or naval

1 service, the period of service upon which such retired pay
2 is based shall not be included, except that in the case of an
3 officer or employee who is eligible for and receives retired
4 pay on account of a service-connected disability incurred in
5 combat with an enemy of the United States or resulting from
6 an explosion of an instrument of war, the period of the mili-
7 tary service shall be included: *Provided*, That an officer or
8 employee must have served for a total period of not less than
9 five years exclusive of such military or naval service before
10 he shall be eligible for annuity under this Act. Nothing in
11 this Act shall be construed as to affect in any manner an
12 officer's or employee's right to retired pay, pension, or com-
13 pensation in addition to the annuity herein provided."

14 SEC. 6. The first three paragraphs of section 6 of the
15 Act of May 29, 1930, as amended, are amended to read as
16 follows:

17 "Any officer or employee to whom this Act applies who
18 shall have served for a total period of not less than five
19 years computed as provided in section 5 of this Act, and
20 who, before meeting the age and service requirements for
21 retirement under section 1 (a) hereof, becomes totally dis-
22 abled for useful and efficient service in the grade or class
23 of position occupied by the officer or employee, by reason
24 of disease or injury not due to vicious habits, intemper-

1 ance, or willful misconduct on the part of the officer or
2 employee, shall upon his own application or upon the re-
3 quest or order of the head of the department, branch, or
4 independent office concerned, be retired on an annuity com-
5 puted in accordance with the provisions of section 4 hereof:
6 *Provided*, That proof of freedom from vicious habits, intem-
7 perance, or willful misconduct for a period of more than five
8 years next prior to becoming so disabled for useful and effi-
9 cient service, shall not be required in any case. No officer
10 or employee shall be retired under the provisions of this sec-
11 tion unless examined by a medical officer of the United
12 States, or a duly qualified physician or surgeon, or board
13 of physicians or surgeons, designated by the Civil Service
14 Commission for that purpose, and found to be disabled in
15 the degree and in the manner specified herein. No claim
16 shall be allowed under the provisions of this section unless
17 the application for retirement shall have been executed prior
18 to the applicant's separation from the service or within six
19 months thereafter. The time limitation for execution of
20 claims for retirement under the terms of this section may be
21 waived by the Civil Service Commission in case of an officer
22 or employee who at the date of separation from service or
23 within six months thereafter is receiving hospital treatment,
24 but the application in such case must be filed with the Civil
25 Service Commission not later than six months after the ter-

1 mination of such hospitalization; in the case of any such per-
2 son heretofore separated from service application may be
3 filed within six months after the effective date of this Act.
4 Such time limitation may similarly be waived in the case
5 of an officer or employee who at the date of separation
6 from service or within six months thereafter is mentally
7 incompetent, but the application in such case must be filed
8 with the Civil Service Commission within one year from
9 the date of restoration of such person to competency or the
10 appointment of a fiduciary whichever is the earlier.

11 “Every annuitant retired under the provisions of this
12 section unless the disability for which retired be permanent
13 in character, shall at the expiration of one year from the date
14 of such retirement and annually thereafter, until reaching
15 age sixty, be examined under the direction of the Civil Serv-
16 ice Commission by a medical officer of the United States, or
17 a duly qualified physician or surgeon, or board of physicians
18 or surgeons designated by the Civil Service Commission for
19 that purpose, in order to ascertain the nature and degree of
20 the annuitant's disability, if any. If an annuitant shall re-
21 cover before reaching age sixty and be restored to an earn-
22 ing capacity which would permit him to be appointed to
23 some appropriate position fairly comparable in compensa-
24 tion to the position occupied at the time of retirement, pay-
25 ment of the annuity shall be continued temporarily to afford

1 the annuitant opportunity to seek such available position,
2 but not in any case exceeding one year from the date of the
3 medical examination showing such recovery. Should the
4 annuitant fail to appear for examination as required under
5 this section, payment of the annuity shall be suspended until
6 continuance of the disability shall have been satisfactorily
7 established. The Civil Service Commission may order or
8 direct at any time such medical or other examination as it
9 shall deem necessary to determine the facts relative to the
10 nature and degree of disability of any officer or employee
11 retired on an annuity under this section.

12 “If a recovered disability annuitant whose annuity is
13 discontinued subsequent to June 30, 1945, shall fail to obtain
14 reemployment in any position included in the provisions of
15 this Act, he shall be considered as having been involuntarily
16 separated from the service within the meaning of section 7
17 (a) of this Act as of the date he was retired for disability and
18 shall, after the discontinuance of the disability annuity, be
19 entitled to a deferred annuity in accordance with the provi-
20 sions of such section.”

21 SEC. 7. Section 7 of the Act of May 29, 1930, as
22 amended, is amended to read as follows:

23 “SEC. 7. (a) Should any officer or employee to whom
24 this Act applies, after having served a total of five years
25 computed as prescribed in section 5 of this Act and before

1 becoming eligible for retirement on annuity under section
2 1 (a) become involuntarily separated not by removal for
3 cause on charges of misconduct or delinquency, such officer
4 or employee shall be paid as he may elect, (A) a deferred
5 annuity beginning at the age of sixty-two years computed
6 as provided in section 4 of this Act, or (B) the total amount
7 credited to his individual account plus a reduced deferred
8 annuity beginning at the age of sixty-two years computed as
9 provided in section 4 of this Act.

10 “(b) Should any officer or employee to whom this Act
11 applies, other than an officer or employee described in sub-
12 section (a), after having served a total of ten years com-
13 puted as prescribed in section 5 of this Act and before becom-
14 ing eligible for retirement on annuity under section 1 (a),
15 become separated from the service, such officer or employee
16 shall be paid as he may elect, (A) a deferred annuity be-
17 ginning at the age of sixty-five years computed as provided
18 in section 4 of this Act, or (B) the total amount credited to
19 his individual account plus a reduced deferred annuity begin-
20 ning at the age of sixty-five years computed as provided in
21 section 4 of this Act.

22 “(c) No officer or employee who receives a return of
23 deductions under this section shall thereafter receive full
24 credit for the period of service covered by the refund unless

1 he shall be reemployed in a position within the purview of
2 this Act and redeposit the amount so returned.”

3 SEC. 8. Section 8 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 8. In the case of any officer or employee who
6 before the effective date of this Act shall have been retired
7 on annuity under the provisions of the Act of May 22, 1920,
8 as amended, or section 8 (a) of the Act of June 16, 1933,
9 the annuity shall be increased, effective on the first day of
10 the fourth month following the month in which this Act is
11 enacted by 25 per centum or \$300, whichever is the lesser:
12 *Provided*, That each such annuitant may, prior to the ef-
13 fective date herein prescribed, elect to retain his present
14 annuity, in lieu of the increased annuity provided by this
15 section, and name his wife to receive upon his death one-
16 half of his present annuity during the remainder of her life
17 and upon her death no further annuity shall be due or
18 payable.

19 “In case any officer or employee shall have been sep-
20 arated subsequent to January 23, 1942, and prior to date
21 of approval of this Act and have acquired title to annuity
22 under section 7 of the Act of May 29, 1930, as amended,
23 beginning after such date of approval, such annuity shall be
24 computed in accordance with section 4 of this Act but any
25 reduction applicable thereto shall be determined as if this

1 Act had not been enacted: *Provided*, That any such officer
2 or employee may elect to forfeit his right to such annuity
3 and elect in lieu thereof to receive the benefits provided by
4 section 7 of this Act.”

5 SEC. 9. Section 9 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 “SEC. 9. Each officer or employee within the purview
8 of this Act may deposit to the credit of the ‘civil-service
9 retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum
10 of his basic salary, pay, or compensation received for services
11 rendered after July 31, 1920, and prior to July 1, 1926;
12 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
13 services rendered from and after July 1, 1926, and prior to
14 July 1, 1942; 5 per centum of said basic pay, salary, or
15 compensation for services rendered from and after July 1,
16 1942, and prior to the first day of the first pay period in
17 1948, and also 6 per centum thereafter, covering service dur-
18 ing which no deductions were withheld for deposit in the said
19 fund. Each such officer or employee may elect to make such
20 deposits in installments during the continuance of his service
21 in such amounts and under such conditions as may be deter-
22 mined in each instance by the Civil Service Commission.
23 The amount so deposited shall be credited to the individual
24 account of the officer or employee in the said fund. Upon
25 making such deposit, the officer or employee shall be entitled

1 to full credit for the period or periods of service involved:
2 *Provided*, That no deposit shall be required for any service
3 rendered prior to August 1, 1920, or for periods of honorable
4 service in the Army, Navy, Marine Corps, or Coast Guard of
5 the United States.”

6 SEC. 10. The first two paragraphs of section 10 of the
7 Act of May 29, 1930, as amended, are amended to read as
8 follows:

9 “Beginning as of July 1, 1942, there shall be deducted
10 and withheld from the basic salary, pay, or compensation of
11 each officer or employee to whom this Act applies a sum
12 equal to 5 per centum of such officer’s or employee’s basic
13 salary, pay, or compensation: *Provided*, That from and
14 after the first day of the first pay period in 1948, there shall
15 be deducted and withheld from the basic salary, pay, or
16 compensation of each officer or employee to whom this Act
17 applies a sum equal to 6 per centum of such officer’s or
18 employee’s basic salary, pay, or compensation. The amounts
19 so deducted and withheld from the basic salary, pay, or
20 compensation of each officer or employee shall, in accord-
21 ance with such procedure as may be prescribed by the
22 Comptroller General of the United States, be deposited in
23 the Treasury of the United States to the credit of the ‘civil-
24 service retirement and disability fund’ created by the Act
25 of May 22, 1920, and said fund is hereby appropriated for

1 the payment of annuities, refunds, and allowances as provided
2 in this Act.

3 “Any officer or employee may at his option and under
4 such regulations as may be prescribed by the Civil Service
5 Commission deposit additional sums in multiples of \$25 but
6 not to exceed 10 per centum of his annual basic salary, pay,
7 or compensation, for service rendered since August 1, 1920,
8 which amount together with interest thereon at 3 per centum
9 per annum compounded as of December 31 of each year,
10 shall, at the date of his retirement, be available to purchase,
11 as he shall elect and in accordance with such rules and
12 regulations as may be prescribed by the Civil Service Com-
13 mission, an annuity in addition to the annuity provided
14 by this Act. The life annuity shall consist of \$7 for each
15 \$100 in case the officer or employee has not reached age
16 sixty; \$8 if he has reached aged sixty but not age sixty-five;
17 \$9 if he has reached age sixty-five but not age seventy; and
18 \$10 if he has reached age seventy. In the event of death
19 or separation from the service of such officer or employee
20 before becoming eligible for retirement on annuity, the total
21 amount so deposited with interest at 3 per centum per
22 annum to date of death or separation compounded on De-
23 cember 31 of each year shall be refunded in accordance with
24 the provisions of section 12 of this Act.”

1 SEC. 11. Section 12 of the Act of May 29, 1930, as
2 amended, is amended to read as follows:

3 "SEC. 12. (a) Under such regulations as may be pre-
4 scribed by the Civil Service Commission the amounts de-
5 ducted and withheld from the basic salary, pay, or compensa-
6 tion of each officer or employee for credit to the 'civil-service
7 retirement and disability fund' created by the Act of May
8 22, 1920, covering service from and after August 1, 1920,
9 shall be credited to an individual account of such officer or
10 employee.

11 "(b) (1) In the case of any officer or employee to
12 whom this Act applies who shall become involuntarily
13 separated not by removal for cause on charges of miscon-
14 duct or delinquency, before he shall have completed an
15 aggregate of five years of service computed in accordance
16 with section 5 of this Act, the amounts credited to his indi-
17 vidual account together with interest at 4 per centum per
18 annum to December 31, 1947, and 3 per centum per annum
19 thereafter to date of separation shall be returned to such
20 officer or employee.

21 "(2) In the case of any officer or employee to whom
22 this Act applies who shall be transferred to a position not
23 within the purview of this Act, or who shall become abso-
24 lutely separated from the service (other than by involuntary
25 separation not for cause on charges of misconduct or de-

1 linqency) before he shall have completed an aggregate of
2 ten years of service computed in accordance with section 5
3 of this Act, the amounts credited to his individual account
4 shall be returned to such officer or employee.

5 “(3) All amounts returned to an officer or employee
6 under this subsection must, upon reinstatement, retransfer,
7 or reappointment to a position within the purview of this
8 Act, be redeposited by such officer or employee before he
9 may receive full credit for the service covered by the refund.

10 “(c) (1) In case any officer or employee to whom this
11 Act applies shall die after having rendered at least five years
12 of civilian service computed as prescribed in section 5 of this
13 Act and is survived by a widow, such widow shall be paid
14 an annuity beginning the first day of the month following
15 the death of the officer or employee or following the widow's
16 attainment of age 60, whichever is the later, equal to one-
17 half the amount of an annuity computed as provided in
18 section 4 hereof with respect to such officer or employee:
19 *Provided*, That such payments shall cease upon death or
20 remarriage of the widow.

21 “(2) In case any officer or employee to whom this
22 Act applies shall die after having rendered at least five years
23 of civilian service computed as prescribed in section 5 of
24 this Act and is survived by a widow and a surviving child
25 or children, such widow shall be paid an immediate an-

1 nuity terminable upon death, remarriage, or upon termi-
2 nation of payments to the last surviving child, equal
3 to one-half the amount of an annuity computed as provided
4 in section 4 hereof with respect to such officer or employee.
5 There shall also be paid to or on behalf of each such child an
6 immediate annuity equal to one-fourth the amount of an
7 annuity computed as provided in section 4 hereof with
8 respect to such officer or employee, but not to exceed \$900
9 divided by the number of such children or \$360, whichever
10 is lesser. Upon the death of such widow, the annuity of
11 such child or children shall be recomputed and paid as
12 provided in section 12 (c) (3) hereof.

13 “(3) In case any officer or employee to whom this
14 Act applies shall die after having rendered at least five
15 years of civilian service computed as prescribed in section
16 5 of this Act and leaves no surviving widow but leaves a
17 surviving child or children, there shall be paid to or on
18 behalf of each such child an immediate annuity equal to
19 one-half the amount of an annuity computed as provided
20 in section 4 hereof with respect to such officer or employee,
21 but not to exceed \$1,200 divided by the number of such
22 children or \$480, whichever is lesser.

23 “(4) The annuity payable to a child under this sub-
24 section shall be terminable upon (A) his attaining the age
25 of eighteen years, (B) his marriage, or (C) his death,

1 whichever first occurs, except that if such child is incapable
2 of self-support by reason of mental or physical disability
3 his annuity shall be terminable only upon death, marriage,
4 or recovery from such disability. In any case in which the
5 annuity of a child, under this subsection, is terminated, the
6 annuities of any other child or children, based upon the serv-
7 ice of the same officer or employee, shall be recomputed and
8 paid as though the child whose annuity was so terminated
9 had not survived such officer or employee.

10 “(d) As used in this section—

11 “(1) The term ‘widow’ means a surviving wife of an
12 individual, who either (A) shall have been married to such
13 individual for at least five years immediately preceding his
14 death, or (B) is the mother of issue by such marriage.

15 “(2) The term ‘child’ means an unmarried child under
16 the age of eighteen, or an unmarried child who because of
17 physical or mental disability is incapable of self-support, a
18 dependent stepchild, or an adopted child.

19 “(3) Questions of dependency and disability arising
20 under this section shall be determined by the Civil Service
21 Commission and its decisions with respect to such matters
22 shall be final and conclusive and shall not be subject to re-
23 view. The Commission may order or direct at any time
24 such medical or other examinations as it shall deem neces-
25 sary to determine the facts relative to the nature and degree

1 of disability of any annuitant or applicant for annuity under
2 this section, and may suspend or deny any such annuity
3 for failure to submit to any such examination.

4 “(e) In case an officer or employee to whom this Act
5 applies shall die (1) before having rendered five years of
6 civilian service computed as prescribed in section 5 of this
7 Act or without a survivor or survivors entitled to annuity
8 benefits provided by section 12 (c) hereof the total amount
9 of deductions credited to his individual account with interest
10 thereon at 4 per centum per annum to December 31, 1947,
11 and 3 per centum per annum thereafter compounded on
12 December 31 of each year to date of death, or (2) leaving
13 a survivor or survivors entitled to such annuity benefits the
14 total amount of deductions credited to his individual account
15 without interest, shall be paid upon the establishment of a
16 valid claim therefor, in the following order of precedence:

17 “First, to the beneficiary or beneficiaries designated in
18 writing by such officer or employee and recorded with the
19 Civil Service Commission;

20 “Second, if there be no such beneficiary, to the duly ap-
21 pointed executor or administrator of the estate of such officer
22 or employee;

23 “Third, if there be no such beneficiary or executor or
24 administrator, payment may be made, after the expiration of
25 thirty days from the date of the death of the officer or em-

1 ployee, to such person or persons as may appear in the judg-
2 ment of the Civil Service Commission to be legally entitled
3 thereto, and such payment shall be a bar to recovery by any
4 other person.

5 “(f) In case a retired employee who has not elected a
6 joint and survivorship annuity as provided in section 4 (b)
7 of this Act shall die without having received in annuities an
8 amount equal to the total amount credited to his individual
9 account with interest thereon at 4 per centum per annum to
10 December 31, 1947, and 3 per centum per annum thereafter
11 compounded on December 31 of each year to date of retire-
12 ment, the difference and/or any accrued annuity due shall be
13 paid upon the establishment of a valid claim therefor, in the
14 following order of precedence.

15 First, to the beneficiary or beneficiaries designated by
16 writing by such annuitant and recorded with the Civil Service
17 Commission;

18 Second, if there be no such beneficiary, to the duly
19 appointed executor or administrator of the estate of such
20 annuitant;

21 Third, if there be no such beneficiary, or executor or
22 administrator, payment may be made, after the expiration of
23 thirty days from the date of the death of the annuitant, to
24 such person or persons as may appear in the judgment of the

1 Civil Service Commission to be legally entitled thereto, and
2 such payment shall be a bar to recovery by any other person.

3 (g) Where any payment under this Act is to be made
4 to a minor, or to a person mentally incompetent or under
5 other legal disability adjudged by a court of competent juris-
6 diction, such payment may be made to the person who is
7 constituted guardian or other fiduciary by the law of the
8 State of residence of such claimant or is otherwise legally
9 vested with the care of the claimant or his estate: *Provided,*
10 That where no guardian or other fiduciary of the person
11 under legal disability has been appointed under the laws
12 of the State of residence of the claimant, the Civil Service
13 Commission shall determine the person who is otherwise
14 legally vested with the care of the claimant or his estate.

15 “(h) In case a former employee entitled to the return
16 of the amount credited to his individual account shall become
17 legally incompetent, the total amount due may be paid to
18 a duly appointed guardian or committee of such former em-
19 ployee. If the amount of refund due such former employee
20 does not exceed \$1,000, and if there has been no demand
21 upon the Civil Service Commission by a duly appointed
22 guardian or committee, payment may be made, after the
23 expiration of thirty days from date of separation from the
24 service, to such person or persons, in the discretion of the
25 Commission, who may have the care and custody of such

1 former employee, and such payment shall be a bar to
2 recovery by any other person.

3 “(i) Each employee or annuitant to whom this Act
4 applies shall, under regulations prescribed by the Civil
5 Service Commission, designate a beneficiary or beneficiaries
6 to whom shall be paid, upon the death of the employee or
7 annuitant any sum remaining to his credit (including any
8 accrued annuity) under the provisions of this Act.”

9 SEC. 12. The first paragraph of section 13 of the Act of
10 May 29, 1930, as amended, is amended to read as follows:

11 “Annuities granted under the terms of this Act shall
12 accrue monthly and shall be due and payable in monthly
13 installments on the first business day of the month following
14 the month or other period for which the annuity shall have
15 accrued. Payment of all annuities, refunds, and allowances
16 granted hereunder shall be made by checks drawn and issued
17 by the Treasury Department in such form and manner and
18 with such safeguards as shall be prescribed by the Civil
19 Service Commission in accordance with the laws, rules, and
20 regulations governing accounting that may be found applica-
21 ble to such payments.”

22 SEC. 13. The third paragraph of section 13 of the Act
23 of May 29, 1930, as amended, is amended to read as follows:

24 “An annuity granted for retirement under the provisions
25 of section 1 or 2 of this Act shall commence the first day

1 of the month following the date of separation from the service,
2 or on the first day of the month following the month in which
3 salary shall cease provided the employee meets the age and
4 service requirements for retirement at that time, and shall
5 continue during the life of the annuitant. An annuity granted
6 under the provisions of section 6 or 7 hereof shall be subject
7 to the limitations specified in said sections.”

8 SEC. 14. Section 14 of the Act of May 29, 1930, as
9 amended, is hereby repealed.

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

APRIL 28, 1947

Referred to the Committee on Post Office and Civil
Service

IN THE SENATE OF THE UNITED STATES

MAY 5 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. McCARRAN to the bill (S. 637)
to amend the Civil Service Retirement Act of May 29, 1930,
as amended, viz:

1 On page 28, in line 25, strike out "sixty-two" and insert
2 in lieu thereof "sixty".

3 On page 29, in line 3, strike out "sixty-two" and insert
4 in lieu thereof "sixty"; in line 12, strike out "sixty-five" and
5 insert in lieu thereof "sixty"; and in line 15, strike out
6 "sixty-five" and insert in lieu thereof "sixty".

7 On page 29, following line 16, insert a new sentence, as
8 follows: Should such officer or employee so elect he may
9 receive a deferred annuity beginning at the age of fifty-five
10 years or thereafter, computed as above described, but reduced
11 by one-half of 1 per centum for each full month such officer
12 or employee is under the age of sixty years when the deferred
13 annuity starts.

AMENDMENTS

Intended to be proposed by Mr. McCARRAN to
the bill (S. 637) to amend the Civil Service
Retirement Act of May 29, 1930, as amended.

MAY 5 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

S. 637

IN THE SENATE OF THE UNITED STATES

MAY 5 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. McCARRAN to the bill (S. 637)
to amend the Civil Service Retirement Act of May 29,
1930, as amended, viz:

- 1 On page 29, in line 12, strike out "sixty-five" and
- 2 insert in lieu thereof "sixty-two"; and in line 15, strike
- 3 out "sixty-five" and insert in lieu thereof "sixty-two".

AMENDMENTS

Intended to be proposed by Mr. McCARRAN to the bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

May 5 (legislative day, April 21), 1947
Ordered to lie on the table and to be printed

S. 637

IN THE SENATE OF THE UNITED STATES

May 7 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SPARKMAN to the bill (S. 637)
to amend the Civil Service Retirement Act of May 29, 1930,
as amended, viz:

- 1 On page 19, line 8, insert the following: "*Provided,*
- 2 That with respect to any employee now in the civil service
- 3 of the United States who has attained or will attain the
- 4 age of seventy years prior to completing fifteen years' service,
- 5 retirement shall not be compulsory until such employee has
- 6 completed fifteen years' service".

80TH CONGRESS
1ST SESSION

S. 637

AMENDMENT

Intended to be proposed by Mr. SPARKMAN to
the bill (S. 637) to amend the Civil Service
Retirement Act of May 29, 1930, as amended.

May 7 (legislative day, April 21), 1947

Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

MAY 8 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. TYDINGS to the bill (S. 637)
to amend the Civil Service Retirement Act of May 29, 1930,
as amended, viz:

1 On page 29, line 12, strike out "sixty-five" and substi-
2 tute "sixty".

3 On page 29, line 15, strike out "sixty-five" and substi-
4 tute "sixty".

5 On page 29, following line 16, insert: "Should such
6 officer or employee so elect he may receive a deferred an-
7 nuity beginning at the age of fifty-five years or thereafter,
8 computed as above-described, but reduced by one-half of 1
9 per centum for each full month such officer or employee is
10 under the age of sixty years when the deferred annuity
11 starts."

80TH CONGRESS
1ST SESSION

S. 637

AMENDMENTS

Intended to be proposed by Mr. TYDINGS to the bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

MAY 8 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

80TH CONGRESS
1ST SESSION

H. R. 3511

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1947

Mr. JONES of Washington introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 (e) (1) of the Civil Service Retirement
4 Act of May 29, 1930, as amended, is amended by striking
5 out "June 30, 1947" and inserting in lieu thereof "June 30,
6 1948".

A BILL

To extend the provisions of section 1 (e) of the
Civil Service Retirement Act of May 29,
1930, as amended, until June 30, 1948.

By Mr. JONES of Washington

MAY 19, 1947

Referred to the Committee on Post Office and Civil
Service

80TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
{ No. 461

EXTENDING THE PROVISIONS OF SECTION 1 (E) OF THE
CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS
AMENDED, UNTIL JUNE 30, 1948

MAY 26, 1947.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. YOUNGBLOOD, from the Committee on Post Office and Civil
Service, submitted the following

REPORT

[To accompany H. R. 3511]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 3511) to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

This bill provides for extending the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

Public Law 688, Seventy-ninth Congress, added subsection (c) to section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, and provides annuities for long-service officers and employees of the Federal Government who between July 1, 1945, and June 30, 1947, (1) have been involuntarily separated from the service or (2) have been voluntarily separated from the service, if they have accepted positions with lower rates of basic compensation after having been involuntarily separated between such dates from positions with higher rates of basic compensation and were receiving less than such higher rates at the time of their voluntary separation. No officer or employee is eligible for benefits under the act unless he has had at least 25 years of Government service and has been separated on other grounds than misconduct or delinquency.

The committee believes that inasmuch as the above provision of the Civil Service Retirement Act of May 29, 1930, expires on June 30,

2 EXTEND CERTAIN PROVISIONS OF CIVIL SERVICE RETIREMENT ACT

1947, it is important from the standpoint of the morale of employees in the Federal service to extend this date for 1 year or until June 30, 1948.

A provision similar to the one contained in this bill is included in other retirement bills which are pending before the committee. However, it is impossible at this time to estimate when these bills will be acted upon and for these reasons it is clear that those persons who are about to be affected by reductions in force should be aware of congressional intent with respect to their civil-service retirement benefits.

The Civil Service Commission approves the enactment of this proposed legislation and the committee is unaware of any opposition to the bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended:

(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and **[June 30, 1947]** *June 30, 1948*, both dates inclusive; or

(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employee is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act.



Union Calendar No. 226

80TH CONGRESS
1ST SESSION

H. R. 3511

[Report No. 461]

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1947

Mr. JONES of Washington introduced the following bill; which was referred to the Committee on Post Office and Civil Service

MAY 26, 1947

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 (e) (1) of the Civil Service Retirement
4 Act of May 29, 1930, as amended, is amended by striking
5 out "June 30, 1947" and inserting in lieu thereof "June 30,
6 1948".

80TH CONGRESS
1ST SESSION

H. R. 3511

[Report No. 461]

A BILL

To extend the provisions of section 1 (e) of the
Civil Service Retirement Act of May 29,
1930, as amended, until June 30, 1948.

By Mr. Jones of Washington

MAY 19, 1947

Referred to the Committee on Post Office and Civil
Service

MAY 26, 1947

Committed to the Committee of the Whole House on
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CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports

(For Department staff only)

Issued

June 17, 1947

For actions of

June 16, 1947

80th-1st, No. 113

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HIGHLIGHTS: House agreed to conference report on wool bill. House passed Remount Service transfer bill. House passed bill to protect forests from insects and diseases. Senate passed bill to regulate marketing of insecticides, rodenticides, weed killers, etc. Senate passed Interior appropriation bill. Senate passed bill to change boundaries of Gila reclamation project. Sen. Pepper introduced rural-industrialization bill. Rep. Douglas introduced and discussed bill to authorize a farm-labor program in Labor Department.

HOUSE

1. **WOOL-PRICE SUPPORTS.** Agreed to the conference report on S. 814, the wool bill, after rejecting, 166-191, a motion by Rep. Rayburn to recommit the bill to conference (pp. 7253-64).
The bill provides as follows: Requires that, until Dec. 31, 1948, CCC shall support the price of wool at the 1946 level. Authorizes CCC to sell its wool at less than parity. Makes Sec. 22 of the AAA Act applicable to wool programs under the bill provided that no action under this provision shall be in contravention of existing international agreements.
The Senate has not yet acted on the conference report.
2. **FORESTRY.** Passed without amendment S. 597, to provide for protection of forests from insects and diseases (pp. 7238-9). This bill will now be sent to the President.
3. **CIVIL-SERVICE RETIREMENT.** Passed without amendment H. R. 3511, to extend until June 30, 1948, the provision for annuities for 25-years-service employees who have been involuntarily separated from service or have been voluntarily separated but have accepted positions with lower pay (p. 7235).
4. **REMOUNT SERVICE.** Passed as reported H. R. 3484, to transfer the Remount Service (which improves the breeds of horses) from the War Department to this Department, effective July 1, 1947 (p. 7244).
5. **WATER CONSERVATION.** Passed with amendments H. R. 2167, to authorize the Secretary of Agriculture to add certain lands to the Angostura water conservation and utilization project, S. Dak. (p. 7239).
6. **FISH AND WILDLIFE.** Passed without amendment H. R. 2721, to require that, in the management of existing facilities in the upper Mississippi River, the War

Department give full consideration to the needs of fish and other wildlife resources and their habitat dependent on such waters (pp. 7239-40).

7. INDEPENDENT OFFICES APPROPRIATION BILL. The Rules Committee reported a resolution waiving points of order on this bill, H. R. 3839 (p. 7266). It is expected that debate on this bill will begin today.
8. TAXATION. Received the President's veto message on H. R. 1, the tax-reduction bill (H. Doc. 322) (pp. 7227-8). A vote on whether to over-ride the veto is expected today.
9. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee agreed to recommend to the full committee H. R. 1426, extending veterans' preference to widowed mothers of veterans, and H. R. 3520, to amend the veterans' preference provisions regarding ratings on civil-service examinations (p. D386).
10. FLOOD CONTROL. Rep. LeCompte, Iowa, urged flood-control appropriations, describing flood damage to farm crops in Iowa (p. 7218).
11. FORESTRY. After discussion, Rep. Cole, N. Y., asked that H. R. 1826, making it a petty offense to enter any national-forest land while it is closed to the public, be passed over without prejudice in order that the Committee might correct its report (p. 7229).
12. RECLAMATION. On objections of Reps. Harris, Allen of La., Brooks, Gathings, and Larcade, H. R. 1274, to extend the reclamation laws to Ark., was stricken from the consent calendar (p. 7229).
13. MILITARY LEAVE. Passed as reported H. R. 1845, to amend existing laws regarding military leave for U. S. employees so as to equalize rights to leave and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve (pp. 7235-6).

SENATE

14. MARKETING; INSECT CONTROL. Passed without amendment H.R. 1237, to regulate the marketing of insecticides, rodenticides, weed killers, etc. (p. 7161). This bill will now be sent to the President.
15. INTERIOR DEPARTMENT APPROPRIATION BILL, 1948. Passed as reported this bill, H.R. 3123 (pp. 7173, 7177-94). Sens. Wherry, Gurney, Ball, Cordon, Hayden, Thomas (Okla.), and O'Mahoney were appointed conferees (p. 7194). House conferees not yet appointed.
16. RECLAMATION. Passed as reported S. 483, to relocate the boundaries and reduce the area of the Gila Reclamation project (pp. 7174-5).
Passed without amendment H.R. 3197, to increase the reimbursable construction cost obligation and extend repayment period of the Mancos Water Conservancy District (p. 7168). This bill will now be sent to the President.
Passed without amendment H.R. 3348, to declare U.S. policy with respect to allocation of construction costs of Coachella Division of the All-American irrigation project, Calif. (p. 7168). This bill will now be sent to the President.
Passed without amendment H.R. 3143, to authorize construction of the Paonia Federal reclamation project, Colo. (p. 7168). This bill will now be sent to the President.

specially designated in the manner prescribed by the Secretary of the Navy may be paid such sum, or, if no beneficiary has been specially designated and no demand is presented by a duly appointed legal representative of the deceased officer's estate, the decedent's widow, or legal heirs may be paid such sum in the following order of precedence: First, to the widow; second, if the decedent left no widow, or the widow be dead at the time of settlement, then to the children or their issue, per stirpes; third, if no widow or descendants, then to the father and mother in equal parts; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes; and in the event of the death of such officers not the result of their own misconduct, or if released from active duty otherwise than upon their own request or as a result of disciplinary action, this lump-sum payment shall be prorated for fractional parts of each year of such service."

With the following committee amendments:

On page 2, line 5, after the word "officers", add a comma, and strike out the words "after continuous active duty for 1 or more years."

On page 2, line 7, strike out the word "may" and substitute in lieu thereof the word "shall."

On page 2, line 11, strike out the word "may" and substitute in lieu thereof the word "shall."

Add a new section, numbered section 2, as follows:

"Sec. 2. Section 2 of the act of June 16, 1936 (49 Stat. 1524), as amended by section 2 of the act of April 3, 1939 (53 Stat. 559), as amended by section 6 of the act of June 3, 1941 (55 Stat. 240), as so amended, is hereby further amended by adding at the end of the section the following: 'Provided, That in the event of the death of such officer, the beneficiaries specially designated in the manner prescribed by the Secretary of War shall be paid such sum, or, if no beneficiary has been specially designated and no demand is presented by a duly appointed legal representative of the deceased officer's estate, the decedent's widow or legal heirs shall be paid such sum in the following order of precedence: First, to the widow; second, if the decedent left no widow, or the widow be dead at the time of settlement, then to the children or their issue, per stirpes; third, if no widow or descendants, then to the father and mother in equal parts; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes; and in the event of the death of such officer, not the result of his own misconduct, this lump-sum payment shall be prorated for fractional parts of each year of such service.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, and to amend section 2 of the act of June 16, 1936, as amended, so as to authorize lump-sum payments under the said acts to the survivors of deceased officers without administration of estates."

A motion to reconsider was laid on the table.

OFFICIAL REPORTERS OF DEBATES IN THE SENATE

The Clerk called the bill (S. 125) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to extend the benefits of such act to the Official Reporters of Debates in the Senate and persons employed by them in connection with the performance of their duties as such reporters.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 (a) of the Civil Service Retirement Act, approved May 29, 1930, as amended, is amended by adding at the end of such subsection the following:

"For the purposes of this act, the Official Reporters of the proceedings and debates of the Senate and persons employed by them in connection with the performance of their duties as such reporters shall be deemed to be officers or employees in or under the legislative branch of the Government, and service heretofore or hereafter rendered as an Official Reporter of Debates of the Senate or as a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their duties as such reporters shall be deemed to be service as an officer or employee in or under the legislative branch of the Government. The provisions of this act shall not apply to any such Official Reporter or person employed by them until he gives notice in writing to the said Official Reporters of his desire to come within the purview of this act. In the case of any such Official Reporter or person employed by them who is in service on the date of enactment of this subsection, such notice of desire to come within the purview of this act must be given within 6 months after such date. In the case of any such official reporter or person employed by them who enters the service subsequent to the date of enactment of this subsection, such notice of desire to come within the purview of this act must be given within 6 months after the date of such entrance into the service. No provision of this or any other act relating to automatic separation from the service shall be applicable to any such Official Reporter or person employed by them."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT CENSUS OFFICE

The Clerk called the bill (H. R. 1045) to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, as amended, the collection and publication of statistical information by the Bureau of the Census.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COLE of New York. Mr. Speaker, the Senate has passed an identical bill, S. 614, which is on the Speaker's table. I ask unanimous consent that the identical Senate bill, S. 614, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 7 of the act entitled "An act to provide for a permanent

Census Office," approved March 6, 1902, as amended (U. S. C., title 13, sec. 111), is amended by adding at the end of the first sentence thereof the words: "Provided, That where the doctrine, teaching, or discipline of any religious denomination or church prohibits the disclosure of information relative to membership, such information shall not be required."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1045) was laid on the table.

CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 3511) to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORAND. Mr. Speaker, reserving the right to object, I would ask the author of the bill if this is the bill which extends the provisions of the bill sponsored last year by me and which was signed by the President on August 2, which takes care of those Federal employees who are discharged or demoted as a result of the reduction of personnel in Federal Departments?

Mr. JONES of Washington. It is, Mr. Speaker.

Mr. FORAND. There is another bill pending that would strike out the age clause of 55. This does not strike out the age clause requirement of 55 in the bill, does it?

Mr. JONES of Washington. No; it does not.

Mr. FORAND. It merely extends the date?

Mr. JONES of Washington. Yes; for 1 year.

Mr. FORAND. Mr. Speaker, I sincerely hope the committee will see fit to take up the other bill striking out the 55-year clause and also eliminate the termination date because we are gradually throwing out of the Government people who have had 25, 28, and 30 years of service who have not yet reached the retirement age.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (e) (1) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILITARY LEAVE FOR FEDERAL EMPLOYEES

The Clerk called the bill (H. R. 1845) to amend section 371, title 10, United States Code (military leave for Federal employees).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 371, title 10, United States Code, be amended by adding the words "and the Enlisted Reserve Corps" following the words "the Officers' Reserve Corps" wherever the latter appears in said section.

With the following committee amendment:

2. Strike out all after the enacting clause and add the following:

"(a) That the third and fourth paragraphs under the subheading 'Ordnance stores and equipment for Reserve Officers' Training Corps' in the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1918, and for other purposes,' approved May 12, 1917 (40 Stat. 72; 10 U. S. C. A. 371), are hereby amended by inserting in each such paragraph, after the words 'the Officers' Reserve Corps', the words 'or the Enlisted Reserve Corps.'

"(b) The fourth paragraph under the subheading 'Ordnance stores and equipment for Reserve Officers' Training Corps' of the act of May 12, 1917, as amended, as it appears on page 72, volume 40, Statutes at Large, is hereby amended by striking out the period at the end of the said paragraph, substituting a colon therefor, and adding the following proviso: *Provided further*, That no existing law shall be construed to prevent any member of the Officers' Reserve Corps or the Enlisted Reserve Corps from accepting employment in any civil branch of the public service nor from receiving the pay incident to such employment in addition to any pay and allowances to which he may be entitled under the laws relating to the Officers' Reserve Corps and Enlisted Reserve Corps, nor as prohibiting him from practicing his civilian profession or occupation before or in connection with any department of the Federal Government.'

"Sec. 2. Section 80 of the act of June 3, 1916 (39 Stat. 203; 32 U. S. C. 75), is hereby amended by striking out the period as it appears at the end of the said section, substituting a comma therefor, and adding the following: 'for periods not exceed 15 days in any one calendar year: *Provided*, That all members of the National Guard who are in the employ of the United States Government or of the District of Columbia and who are ordered to duty by proper authority shall, when relieved from duty, be restored to the positions held by them when ordered to duty: *And provided further*, That no existing law shall be construed to prevent any member of the National Guard from accepting employment in any civil branch of the public service nor from receiving the pay incident to such employment in addition to any pay and allowances to which he may be entitled under the provisions of law relating to the National Guard, nor as prohibiting him from practicing his civilian profession or occupation before or in connection with any department of the Federal Government.'

"Sec. 3. Section 9 of the Naval Reserve Act of 1938 (52 Stat. 1177; 34 U. S. C. A. 853g), as amended, is hereby further amended by striking out the period as it appears at the end of the said section, substituting a colon therefor, and adding the following proviso: *And provided further*, That all members of the Naval Reserve who are in the employ of the United States Government or of the District of Columbia and who are ordered to duty by proper authority shall, when relieved from duty, be restored to the positions held by them when ordered to duty.'

"Sec. 4. The words 'officers and employees of the United States or of the District of Columbia' as used in the third paragraph, subheading 'Ordnance stores and equipment for Reserve Officers' Training Corps,' of the act of May 12, 1917 (40 Stat. 72; 10 U. S. C. A. 371), as now or hereafter amended, as used in that part of section 80 of the act of June 3, 1916 (39 Stat. 203; 32 U. S. C. 75), as now or hereafter amended, which precedes the

proviso, and as used in the first proviso of section 9 of the Naval Reserve Act of 1938 (52 Stat. 1177; 34 U. S. C. A. 853g), as now or hereafter amended, shall be construed to mean all officers and employees of the United States or of the District of Columbia, permanent, or temporary indefinite, without regard to classifications or terminology peculiar to the Federal Civil Service System."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend existing laws relating to military leave of certain employees of the United States or of the District of Columbia so as to equalize rights to leave of absence and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve, and for other purposes."

A motion to reconsider was laid on the table.

FEDERAL BUREAU OF INVESTIGATION

The Clerk called the bill (H. R. 2826) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Federal Bureau of Investigation who have rendered at least 20 years of service.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING INTERNAL REVENUE CODE WITH RESPECT TO MANUFACTURE OF WINES

The Clerk called the bill (H. R. 1945) to amend sections 2801 (e) (4), 3043 (a), and 3045 of the Internal Revenue Code.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I would like to have the gentleman from California explain this bill, and he might also make a brief reference to the next two bills on the calendar.

Mr. GEARHART. Mr. Speaker, this bill comes to the floor with the unanimous endorsement of the Ways and Means Committee. It is what you might call a wine industry modernization bill.

Mr. McCORMACK. California wine?

Mr. GEARHART. Affecting California wine, yes. The changes which will be effected are all technical in their nature. The bill was prepared by representatives of the Wine Institute, to which nearly all wine concerns belong, in collaboration and consultation with the Internal Revenue Bureau. The Treasury has no objection to the bill.

Mr. McCORMACK. And briefly about the next two bills.

Mr. GEARHART. The next two bills are of the same character. They are industry bills which have been prepared in consultation with the Treasury, and the Treasury has no objection to their enactment.

Mr. McCORMACK. What particular industry do the other two relate to?

Mr. GEARHART. The same favored industry.

Mr. McCORMACK. Wine?

Mr. GEARHART. Wine, the finest of wine.

Mr. McCORMACK. I am well acquainted with it during my 10 years' experience on the Ways and Means Committee.

I withdraw my reservation of objection, Mr. Speaker.

Mr. COLE of New York. Mr. Speaker, further reserving the right to object, until the gentleman from California [Mr. GEARHART] undertook to answer the inquiries of the gentleman from Massachusetts [Mr. McCORMACK] it had been my understanding that this bill had relationship to wines produced all over the continental United States. I did not realize that it was directed primarily and principally to the wines made in California. I should like to inquire of the gentleman from California if this and the next two succeeding bills will not apply to wines made in New York State as well as those made in California?

Mr. GEARHART. If I have given any impression that the bill is confined in its operation to California such was not my intention. The bill will apply to all of the States of the Union, as is customary with legislation passed in this House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. McCORMACK. The inference was drawn from my friend's observations and mine; wine and California. The gentleman comes from California. So he is, with usual zeal, looking after the interests of his people, which in the case of any Member, properly exercised, is an important duty.

Mr. GEARHART. I must add that in the minds of a great many people the words wine and California are synonymous, both in fame and excellence.

Mr. COLE of New York. That is why I took the floor, to make sure that New York was also considered as a wine-producing State and covered by the legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Internal Revenue Code be, and it is hereby, amended as follows:

1. Section 2801 (e) (4) of the Internal Revenue Code is amended (a) by deleting from the second sentence thereof the words "having no interior communication with any other department or part of such premises", and (b) by adding immediately at the end thereof the following new sentence: "The provisions of this paragraph shall apply in the same manner and to the same extent to aperitif wines other than vermouth."

2. Section 3045, Internal Revenue Code, is amended by deleting the period at the end thereof and adding the following: "Provided, That in the case of wines produced from loganberries, currants, or gooseberries, respectively, having a normal acidity of twenty parts or more per thousand, the volume of the resultant product may be increased more than 35 per centum but not more than 60 per centum by the addition of sugar and water solution under such regulations as the Commissioner of Internal Revenue may prescribe."

80TH CONGRESS
1ST SESSION

H. R. 3872

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1947

Mr. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:
5 “SEC. 1. (a) Any officer or employee to whom this Act
6 applies who shall have attained or shall hereafter attain the
7 age of sixty years and have rendered at least ten years of
8 service computed as prescribed in section 5 of this Act shall,
9 upon separation from the service, be paid an annuity com-
10 puted as provided in section 4 of this Act.
11 “(b) Any officer or employee to whom this Act applies

1 who shall have attained the age of fifty-five years and have
2 rendered at least ten years of service computed as prescribed
3 in section 5 may voluntarily retire and shall be paid an
4 immediate life annuity computed as provided in section 4
5 of this Act, reduced by one-half of 1 per centum for each full
6 month such officer or employee is under the age of sixty
7 years.

8 “(c) Any officer or employee to whom this Act applies,
9 after having rendered at least twenty-five years of service
10 computed as prescribed in section 5 of this Act, (1) upon
11 involuntary separation from the service not by removal for
12 cause on charges of misconduct or delinquency, or (2) upon
13 voluntary separation from the service if such officer or em-
14 ployee had accepted a position with a lower rate of basic
15 salary, pay, or compensation after having been so involun-
16 tarily separated from a position with a higher rate of basic
17 salary, pay, or compensation, and was receiving less than
18 such higher rate at the time of his voluntary separation, shall
19 be paid an immediate life annuity computed as provided in
20 section 4 of this Act reduced by one-fourth of 1 per centum
21 for each full month such officer or employee is under the age
22 of sixty years. This subsection shall become effective July 1,
23 1947.”

24 SEC. 2. Section 2 of the Act of May 29, 1930, as
25 amended, is amended to read as follows:

1 “SEC. 2. (a) Except as provided in section 204 of
2 the Act of June 30, 1932 (47 Stat. 404), and section 3
3 of the Act of July 13, 1937 (50 Stat. 512), any officer
4 or employee to whom this Act applies who shall have com-
5 pleted ten years of service computed as provided in section
6 5 of this Act shall, on the last day of the month in which
7 he attains the age of seventy years, or completes ten years
8 of service if then beyond such age, be automatically separated
9 from the service, and all salary, pay, or compensation shall
10 cease from that date, and the head of each department,
11 branch, or independent office of the Government concerned
12 shall notify each such employee under his direction of the
13 date of his separation from the service at least sixty days
14 in advance thereof: *Provided*, That should the head of the
15 department, branch, or independent office fail, through error,
16 to give timely notification, the employee's separation from
17 the service shall not be effected without his consent until
18 the expiration of said sixty-day period. Upon such separa-
19 tion, the officer or employee shall be eligible for retirement
20 on annuity as provided in section 4 hereof.

21 “(b) No person who is receiving an annuity under the
22 provisions of this Act and who has reached the age of sixty
23 years shall be eligible again to appointment to any appointive
24 office, position, or employment under the Government of
25 the United States or of the District of Columbia, unless

1 the appointing authority determines that he is possessed
2 of special qualifications: *Provided*, That no deductions for
3 the retirement fund shall be withheld from the salary, pay,
4 or compensation of such person, but there shall be deducted
5 from his salary, pay, or compensation otherwise payable a
6 sum equal to the retirement annuity allocable to the period
7 of actual employment: *Provided further*, That the annuity
8 in such case shall not be redetermined upon such person's
9 subsequent separation from the service."

10 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
11 May 29, 1930, as amended, is amended to read as follows:

12 "(6) (a) In the case of a Member of Congress who
13 becomes separated from the service before he completes an
14 aggregate of six years of service as a Member of Congress,
15 and who is not retired for disability, the total amount de-
16 ducted from his basic salary, pay, or compensation or de-
17 posited by him as a Member of Congress shall be returned
18 to such Member of Congress together with interest at 4 per
19 centum per annum to December 31, 1947, and at 3 per
20 centum per annum thereafter compounded on December 31
21 of each year, to date of separation. No such Member of
22 Congress shall thereafter become eligible to receive an
23 annuity as provided in this section unless the amounts so
24 returned are redeposited with interest at 4 per centum com-
25 pounded on December 31 of each year, but interest shall

1 not be required covering any period of separation from the
2 service.

3 “(b) In case a Member of Congress shall die prior to
4 retirement the total sums deducted from his basic salary,
5 pay, or compensation or deposited by him, together with
6 interest at 4 per centum per annum to December 31, 1947,
7 and at 3 per centum per annum thereafter, compounded on
8 December 31 of each year to date of death shall be paid,
9 upon the establishment of a valid claim therefor, in the
10 order of precedence prescribed in section 12.

11 “(c) In case a former Member of Congress receiving
12 an annuity under this section shall die without having re-
13 ceived in purchasable annuities an amount equal to the total
14 sums deducted from his basic salary, pay, or compensation
15 or deposited by him, together with interest at 4 per centum
16 per annum to December 31, 1947, and at 3 per centum per
17 annum thereafter, compounded on December 31 of each
18 year to date of retirement, the difference and/or any accrued
19 annuity due shall be paid, upon the establishment of a valid
20 claim therefor, in the order of precedence prescribed in
21 section 12.”

22 (b) Except as provided in this section the amendments
23 made by this Act shall not apply to any person subject to
24 the provisions of section 3A of the Act of May 29, 1930, as
25 amended.

1 SEC. 4. Section 4 of the Act of May 29, 1930, as
2 amended, is amended to read as follows:

3 “SEC. 4. (a) The annuity of an officer or employee
4 retired under this Act shall be a life annuity, terminable
5 upon the death of the annuitant and shall be an amount
6 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
7 annual basic salary, pay, or compensation received by the
8 officer or employee during any five consecutive years of
9 allowable service at the option of the officer or employee
10 multiplied by the years of service, or (2) 1 per centum of
11 the average annual basic salary, pay, or compensation re-
12 ceived by the officer or employee during any five consecutive
13 years of allowable service at the option of the officer or
14 employee multiplied by the years of service, plus a sum
15 equal to \$25 for each year of such service: *Provided*, That
16 if deposit or redeposit under section 7, 9, or 12 (b) hereof
17 has not been made, the annuity for the period or periods of
18 service covered by the deposit or redeposit shall be in an
19 amount equal to 1 per centum of the average annual basic
20 salary, pay, or compensation received by the officer or
21 employee during any five consecutive years of allowable
22 service at the option of the officer or employee multiplied by
23 the years of such service: *Provided further*, That in no case
24 shall the annuity exceed an amount equal to 90 per centum
25 of the highest average annual basic salary, pay, or compen-

1 sation received by the officer or employee during five con-
2 secutive years of allowable service.

3 “(b) Any officer or employee, if a husband, retiring
4 under the provisions of section 1, 2, or 6 of this Act may
5 at the time of his retirement elect to receive in lieu of the
6 life annuity described herein a reduced annuity equal to
7 90 per centum of such life annuity and an annuity after his
8 death payable to his surviving widow equal to 50 per centum
9 of such life annuity. The annuity of such widow shall
10 begin on the first day of the month in which the death of
11 the husband occurs or the first day of the month following
12 the widow's attainment of age sixty, whichever is the later,
13 and shall terminate upon her death.

14 “(c) Any officer or employee in good health retiring
15 under the provisions of section 1 or 2 of this Act may at
16 the time of his retirement elect to receive in lieu of the life
17 annuity described herein a reduced annuity payable to him
18 during his life, and an annuity after his death payable to a
19 survivor annuitant, duly designated in writing and filed with
20 the Civil Service Commission at the time of his retirement,
21 during the life of such survivor annuitant equal to 50 per
22 centum of such reduced annuity and upon the death of such
23 survivor annuitant all payments shall cease and no further
24 annuity shall be due and payable. The annuity hereunder
25 payable to the officer or employee shall be 90 per centum

1 of the life annuity otherwise payable if the survivor annuitant
2 is the same age or older than the annuitant, or is less than
3 five years younger than the annuitant; 85 per centum if
4 the survivor annuitant is five but less than ten years younger;
5 80 per centum if the survivor annuitant is ten but less than
6 fifteen years younger; 75 per centum if the survivor annui-
7 tant is fifteen but less than twenty years younger; 70 per
8 centum if the survivor annuitant is twenty but less than
9 twenty-five years younger; and 60 per centum if the survivor
10 annuitant is twenty-five or more years younger. No such
11 election shall be valid until the retiring officer or employee
12 shall have satisfactorily passed a physical examination as
13 prescribed by the Civil Service Commission.

14 “(d) For the purpose of this Act all periods of service
15 shall be computed in accordance with section 5 hereof, and
16 the monthly annuity installment shall be fixed at the nearest
17 dollar.

18 “(e) The term ‘basic salary, pay, or compensation’,
19 wherever used in this Act, shall be so construed as to exclude
20 from the operation of the Act all bonuses, allowances, over-
21 time pay, or salary, pay, or compensation given in addition
22 to the base pay of the position as fixed by law or regulation.”

23 SEC. 5. The first paragraph of section 5 of the Act of
24 May 29, 1930, as amended, is amended to read as follows:

25 “Subject to the provisions of section 9 hereof, the aggre-

1 gate period of service which forms the basis for calculating the
2 amount of any annuity provided in this Act shall be computed
3 from the date of original employment, whether as a classified
4 or an unclassified officer or employee in the civil service of
5 the United States, or in the service of the District of Colum-
6 bia, including periods of service at different times and in
7 one or more departments, branches, or independent offices,
8 or the legislative branch of the Government, and also periods
9 of service performed overseas under authority of the United
10 States, and periods of honorable service in the Army, Navy,
11 Marine Corps, or Coast Guard of the United States; in the
12 case of an officer or employee, however, who is eligible for
13 and receives retired pay on account of military or naval
14 service, the period of service upon which such retired pay
15 is based shall not be included, except that in the case of an
16 officer or employee who is eligible for and receives retired
17 pay on account of a service-connected disability incurred in
18 combat with an enemy of the United States or resulting from
19 an explosion of an instrument of war, the period of the mili-
20 tary service shall be included: *Provided*, That an officer or
21 employee must have served for a total period of not less than
22 five years exclusive of such military or naval service before
23 he shall be eligible for annuity under this Act. Nothing in
24 this Act shall be construed as to affect in any manner an

1 officer's or employee's right to retired pay, pension, or com-
2 pensation in addition to the annuity herein provided."

3 SEC. 6. The first three paragraphs of section 6 of the
4 Act of May 29, 1930, as amended, are amended to read as
5 follows:

6 "Any officer or employee to whom this Act applies who
7 shall have served for a total period of not less than five
8 years computed as provided in section 5 of this Act, and
9 who, before meeting the age and service requirements for
10 retirement under section 1 (a) hereof, becomes totally dis-
11 abled for useful and efficient service in the grade or class
12 of position occupied by the officer or employee, by reason
13 of disease or injury not due to vicious habits, intemper-
14 ance, or willful misconduct on the part of the officer or
15 employee, shall upon his own application or upon the re-
16 quest or order of the head of the department, branch, or
17 independent office concerned, be retired on an annuity com-
18 puted in accordance with the provisions of section 4 hereof:
19 *Provided.* That proof of freedom from vicious habits, intem-
20 perance, or willful misconduct for a period of more than five
21 years next prior to becoming so disabled for useful and effi-
22 cient service, shall not be required in any case. No officer
23 or employee shall be retired under the provisions of this sec-
24 tion unless examined by a medical officer of the United
25 States, or a duly qualified physician or surgeon, or board

1 of physicians or surgeons, designated by the Civil Service
2 Commission for that purpose, and found to be disabled in
3 the degree and in the manner specified herein. No claim
4 shall be allowed under the provisions of this section unless
5 the application for retirement shall have been executed prior
6 to the applicant's separation from the service or within six
7 months thereafter. The time limitation for execution of
8 claims for retirement under the terms of this section may be
9 waived by the Civil Service Commission in case of an officer
10 or employee who at the date of separation from service or
11 within six months thereafter is receiving hospital treatment,
12 but the application in such case must be filed with the Civil
13 Service Commission not later than six months after the ter-
14 mination of such hospitalization; in the case of any such per-
15 son heretofore separated from service application may be
16 filed within six months after the effective date of this Act.
17 Such time limitation may similarly be waived in the case
18 of an officer or employee who at the date of separation
19 from service or within six months thereafter is mentally
20 incompetent, but the application in such case must be filed
21 with the Civil Service Commission within one year from
22 the date of restoration of such person to competency or the
23 appointment of a fiduciary whichever is the earlier.

24 "Every annuitant retired under the provisions of this
25 section unless the disability for which retired be permanent

1 in character, shall at the expiration of one year from the date
2 of such retirement and annually thereafter, until reaching
3 age sixty, be examined under the direction of the Civil Serv-
4 ice Commission by a medical officer of the United States, or
5 a duly qualified physician or surgeon, or board of physicians
6 or surgeons designated by the Civil Service Commission for
7 that purpose, in order to ascertain the nature and degree of
8 the annuitant's disability, if any. If an annuitant shall re-
9 cover before reaching age sixty and be restored to an earn-
10 ing capacity which would permit him to be appointed to
11 some appropriate position fairly comparable in compensa-
12 tion to the position occupied at the time of retirement, pay-
13 ment of the annuity shall be continued temporarily to afford
14 the annuitant opportunity to seek such available position,
15 but not in any case exceeding one year from the date of the
16 medical examination showing such recovery. Should the
17 annuitant fail to appear for examination as required under
18 this section, payment of the annuity shall be suspended until
19 continuance of the disability shall have been satisfactorily
20 established. The Civil Service Commission may order or
21 direct at any time such medical or other examination as it
22 shall deem necessary to determine the facts relative to the
23 nature and degree of disability of any officer or employee
24 retired on an annuity under this section.

25 "If a recovered disability annuitant whose annuity is

1 (2) The price to be paid for any mortgage, lien, or
2 other interest as security sold under this section shall be a
3 price not less than the unpaid principal (plus accrued interest
4 thereon) of the obligation with respect to which the mort-
5 gage, lien, or other interest as security is held.

6 (c) Except as provided in subsections (a) and (b),
7 the sale of housing under this Act shall be with or without
8 warranty and upon such terms and conditions as the Admin-
9 istrator deems proper.

10 HOUSING MORTGAGE INSURANCE

11 SEC. 5. Title VI of the National Housing Act, as
12 amended, is hereby amended by adding at the end thereof
13 the following:

14 “SEC. 609. (a) The Administrator is authorized, upon
15 application by the mortgagee, to insure under section 603
16 or 608 of this title any mortgage executed in connection
17 with the sale by the Federal Works Administrator of any
18 housing (including property determined by the Federal
19 Works Administrator to be essential to the use of such
20 housing) transferred to the Federal Works Administrator
21 by the Housing Disposal Act of 1947 without regard to—

22 “(1) any limit as to the time when any mortgage
23 may be insured under this title;

24 “(2) any limit as to the aggregate amount of

1 principal obligations of all mortgages insured under this
2 title, but the aggregate amount of principal obligations
3 of all mortgages insured pursuant to this section shall
4 not exceed \$750,000,000;

5 “(3) any requirement that the obligation be ap-
6 proved for mortgage insurance prior to the begin-
7 ning of construction or that the construction be new
8 construction;

9 if such mortgage is otherwise eligible for insurance under
10 such section and is eligible for insurance under subsection
11 (b) of this section. For the purposes of this subsection, a
12 mortgage shall be deemed to have been executed in con-
13 nection with the sale by the Federal Works Administrator
14 of any housing transferred to him by the Housing Disposal
15 Act of 1947, if such mortgage is on any such housing and
16 is given by the purchaser thereof as security for a loan of
17 the whole or any portion of the purchase price to be paid
18 to the Federal Works Administrator for such housing.

19 “(b) To be eligible for insurance pursuant to this section
20 a mortgage shall—

21 “(1) have a maturity satisfactory to the Admin-
22 istrator but not to exceed twenty-five years from the
23 date of the insurance of the mortgage;

24 “(2) involve a principal obligation (including such
25 initial service charges, appraisal, inspection, and other

1 fees as the Administrator shall approve) in an amount
2 not to exceed 90 per centum of the reasonable value
3 of the mortgaged property as determined by appraisal
4 made by an appraiser or appraisers approved by the
5 Federal Housing Administrator.”

6 PREFERENCES

7 SEC. 6. (a) Preference in the purchase of any dwelling
8 designed for occupancy by less than five families shall be
9 granted to veterans and to occupants over other prospective
10 purchasers of such dwelling in the following order:

11 (1) A veteran who occupies a dwelling unit in
12 the dwelling to be sold.

13 (2) A veteran who does not occupy a dwelling
14 unit in the dwelling to be sold but who intends to occupy
15 a dwelling unit in the dwelling to be purchased; but if
16 the dwelling is designed for occupancy by two, three, or
17 four families, equal preference shall be granted to a
18 private corporation, association, or cooperative society
19 which is the legal agent of veterans who intend to
20 occupy the dwelling purchased by such corporation,
21 association, or society.

22 (3) A nonveteran who occupies a dwelling unit
23 in the dwelling to be sold.

24 (b) In the case of any housing project where it is
25 not practicable to offer each dwelling for sale separately

1 from other dwellings in the project and in the case of any
2 dwelling designed for occupancy by more than four families,
3 preference in the purchase thereof shall be granted to any
4 private corporation, association, or cooperative society which
5 is the legal agent of veterans who intend to occupy 50 per
6 centum or more of dwelling units purchased by such cor-
7 poration, association, or society.

8 (c) The Administrator shall give such notice in such
9 manner as he deems reasonable to enable prospective pur-
10 chasers who have a preference under this section in the
11 purchase of housing to exercise such preference. Any pros-
12 pective purchaser having a preference under subsection (a)
13 in the purchase of any dwelling may apply for the purchase
14 of such dwelling (1) if the preference is under paragraph
15 (1), within thirty days after the date of the notice of the
16 offer for sale, (2) if the preference is under paragraph (2),
17 within thirty days after the date of the notice of the offer
18 for sale, and (3) if the preference is under paragraph (3),
19 within sixty days after the date of the notice of the offer
20 for sale. Any corporation, association, or society having
21 a preference under subsection (b) in the purchase of any
22 housing may apply for the purchase of such housing within
23 ninety days after the date of the notice of the offer for sale.

24 (d) Any deed or other instrument by or on behalf of
25 the Administrator, transferring title of property pursuant to

1 service retirement and disability fund' created by the Act
2 of May 22, 1920, and said fund is hereby appropriated for
3 the payment of annuities, refunds, and allowances as provided
4 in this Act.

5 "Any officer or employee may at his option and under
6 such regulations as may be prescribed by the Civil Service
7 Commission deposit additional sums in multiples of \$25 but
8 not to exceed 10 per centum of his annual basic salary, pay,
9 or compensation, for service rendered since August 1, 1920,
10 which amount together with interest thereon at 3 per centum
11 per annum compounded as of December 31 of each year,
12 shall, at the date of his retirement, be available to purchase,
13 as he shall elect and in accordance with such rules and
14 regulations as may be prescribed by the Civil Service Com-
15 mission, an annuity in addition to the annuity provided
16 by this Act. The life annuity shall consist of \$7 for each
17 \$100 in case the officer or employee has not reached age
18 sixty; \$8 if he has reached age sixty but not age sixty-five;
19 \$9 if he has reached age sixty-five but not age seventy; and
20 \$10 if he has reached age seventy. In the event of death
21 or separation from the service of such officer or employee
22 before becoming eligible for retirement on annuity, the total
23 amount so deposited with interest at 3 per centum per
24 annum to date of death or separation compounded on De-

1 cember 31 of each year shall be refunded in accordance with
2 the provisions of section 12 of this Act."

3 SEC. 11. Section 12 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 12. (a) Under such regulations as may be pre-
6 scribed by the Civil Service Commission the amounts de-
7 ducted and withheld from the basic salary, pay, or compensa-
8 tion of each officer or employee for credit to the 'civil-service
9 retirement and disability fund' created by the Act of May
10 22, 1920, covering service from and after August 1, 1920,
11 shall be credited to an individual account of such officer or
12 employee.

13 "(b) (1) In the case of any officer or employee to
14 whom this Act applies who shall become absolutely sep-
15 arated from the service before he shall have completed an
16 aggregate of five years of service computed as prescribed
17 in section 5 of this Act, or who shall be transferred to a
18 position not within the purview of this Act, the amount
19 credited to his individual account together with interest at
20 4 per centum per annum to December 31, 1947, and 3
21 per centum per annum thereafter compounded on December
22 31 of each year to date of separation shall be returned to
23 such officer or employee: *Provided*, That in computing
24 interest under this subsection, a fractional part of a month
25 in the total service covered by the refund shall be disre-

1 garded, and no interest shall be allowed in any case unless
2 the service covered by the refund aggregates more than one
3 year.

4 “(2) All amounts returned to an officer or employee
5 under this subsection must, upon reinstatement, retransfer,
6 or reappointment to a position within the purview of this
7 Act, be redeposited by such officer or employee before he
8 may receive full credit for the service covered by the refund.

9 “(c) (1) In case any officer or employee to whom
10 this Act applies shall die after having rendered at least five
11 years of civilian service computed as prescribed in section 5
12 of this Act and is survived by a widow, such widow shall
13 be paid an annuity beginning the first day of the month
14 following the death of the officer or employee or following
15 the widow's attainment of age sixty, whichever is the later,
16 equal to 50 per centum of the amount of an annuity com-
17 puted as provided in section 4 (a) hereof with respect to
18 such officer or employee: *Provided*, That such payments
19 shall cease upon death of the widow.

20 “(2) In case any officer or employee to whom this
21 Act applies shall die after having rendered at least five years
22 of civilian service computed as prescribed in section 5 of
23 this Act, or after having retired subsequent to the effective
24 date of this Act under section 1, 2, or 6, and is survived
25 by a widow and a child or children, such widow shall be

1 paid an immediate annuity terminable upon death, attain-
2 ment of age sixty, or upon termination of payments to the
3 last surviving child, equal to 50 per centum of the amount
4 of an annuity computed as provided in section 4 (a) hereof
5 with respect to such officer or employee.

6 “(3) In case any officer or employee to whom this
7 Act applies shall die after having rendered at least five
8 years of civilian service computed as prescribed in section
9 5 of this Act or after having retired subsequent to the effec-
10 tive date of this Act under section 1, 2, or 6, and leaves
11 a surviving child or children, there shall be paid to or on
12 behalf of each such child an immediate annuity equal to one-
13 fourth the amount of an annuity computed as provided in
14 section 4 (a) hereof with respect to such officer or employee,
15 but not to exceed \$900 divided by the number of such
16 children or \$360, whichever is lesser.

17 “(4) The annuity payable to a child under this sub-
18 section shall be terminable upon (A) his attaining the age
19 of eighteen years, (B) his marriage, or (C) his death,
20 whichever first occurs, except that if such child is incapable
21 of self-support by reason of mental or physical disability
22 his annuity shall be terminable only upon death, marriage,
23 or recovery from such disability. In any case in which the
24 annuity of a child, under this subsection, is terminated, the
25 annuities of any other child or children, based upon the serv-

ice of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

“(d) As used in this Act—

“(1) The term ‘widow’ means a surviving wife of an individual, who either (A) shall have been married to such individual for at least five years immediately preceding his death, or (B) is the mother of issue by such marriage.

“(2) The term ‘child’ means an unmarried child under the age of eighteen, or an unmarried child who because of physical or mental disability is incapable of self-support, a dependent stepchild, or an adopted child.

“(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

“(e) In case an officer or employee to whom this Act applies shall die (1) before having rendered five years of civilian service computed as prescribed in section 5 of this

1 Act or without a survivor or survivors entitled to annuity
2 benefits provided by section 12 (c) hereof the total amount
3 of deductions credited to his individual account with interest
4 thereon at 4 per centum per annum to December 31, 1947,
5 and 3 per centum per annum thereafter compounded on
6 December 31 of each year to date of death, or (2) leaving
7 a survivor or survivors entitled to such annuity benefits the
8 total amount of deductions credited to his individual account
9 without interest, shall be paid upon the establishment of a
10 valid claim therefor, in the following order of precedence:

11 "First, to the beneficiary or beneficiaries designated in
12 writing by such officer or employee and recorded with the
13 Civil Service Commission;

14 "Second, if there be no such beneficiary, to the duly ap-
15 pointed executor or administrator of the estate of such officer
16 or employee;

17 "Third, if there be no such beneficiary or executor or
18 administrator, payment may be made, after the expiration of
19 thirty days from the date of the death of the officer or em-
20 ployeee, to such person or persons as may appear in the judg-
21 ment of the Civil Service Commission to be legally entitled
22 thereto, and such payment shall be a bar to recovery by any
23 other person.

24 "(f) In case of death of a retired employee (1) who
25 has not elected a joint and survivorship annuity as provided

1 in section 4 (c) of this Act and who has not received in
2 annuities an amount equal to the total amount credited to
3 his individual account with interest thereon at 4 per centum
4 per annum to December 31, 1947, and 3 per centum per
5 annum thereafter compounded on December 31 of each year
6 to date of retirement, or (2) who has elected a joint and
7 survivorship annuity as provided in section 4 (b) of this
8 Act and who has not received in annuities an amount equal
9 to the total amount credited to his individual account, the
10 difference and/or any accrued annuity due shall be paid
11 upon the establishment of a valid claim therefor, in the order
12 of precedence specified in subsection (e) hereof: In case
13 any separated officer or employee who is entitled to a de-
14 ferred annuity as provided in section 7 (a) hereof shall
15 die before having established a valid claim for annuity, the
16 total amount credited to his individual account with interest
17 thereon at 4 per centum per annum to December 31, 1947,
18 and 3 per centum per annum thereafter compounded on
19 December 31 of each year to date of death, shall be paid
20 upon the establishment of a valid claim therefor in the order
21 of precedence specified in subsection (e) hereof.

22 “(g) Where any payment under this Act is to be made
23 to a minor, or to a person mentally incompetent or under
24 other legal disability adjudged by a court of competent juris-
25 diction, such payment may be made to the person who is

1 constituted guardian or other fiduciary by the law of the
2 State of residence of such claimant or is otherwise legally
3 vested with the care of the claimant or his estate: *Provided*,
4 That where no guardian or other fiduciary of the person
5 under legal disability has been appointed under the laws
6 of the State of residence of the claimant, the Civil Service
7 Commission shall determine the person who is otherwise
8 legally vested with the care of the claimant or his estate.

9 “(h) In case a former employee entitled to the return
10 of the amount credited to his individual account shall become
11 legally incompetent, the total amount due may be paid to
12 a duly appointed guardian or committee of such former em-
13 ployee. If the amount of refund due such former employee
14 does not exceed \$1,000, and if there has been no demand
15 upon the Civil Service Commission by a duly appointed
16 guardian or committee, payment may be made, after the
17 expiration of thirty days from date of separation from the
18 service, to such person or persons, in the discretion of the
19 Commission, who may have the care and custody of such
20 former employee, and such payment shall be a bar to
21 recovery by any other person.

22 “(i) Each employee or annuitant to whom this Act
23 applies shall, under regulations prescribed by the Civil
24 Service Commission, designate a beneficiary or beneficiaries
25 to whom shall be paid, upon the death of the employee or

1 annuitant any sum remaining to his credit (including any
2 accrued annuity) under the provisions of this Act.”

3 SEC. 12. The first paragraph of section 13 of the Act of
4 May 29, 1930, as amended, is amended to read as follows:

5 “Annuities granted under the terms of this Act shall
6 accrue monthly and shall be due and payable in monthly
7 installments on the first business day of the month following
8 the month or other period for which the annuity shall have
9 accrued. Payment of all annuities, refunds, and allowances
10 granted hereunder shall be made by checks drawn and issued
11 by the Treasury Department in such form and manner and
12 with such safeguards as shall be prescribed by the Civil
13 Service Commission in accordance with the laws, rules, and
14 regulations governing accounting that may be found applica-
15 ble to such payments.”

16 SEC. 13. The third paragraph of section 13 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “An annuity granted for retirement under the provisions
19 of section 1 or 2 of this Act shall commence the first day
20 of the month following the date of separation from the service,
21 or on the first day of the month following the month in which
22 salary shall cease provided the employee meets the age and
23 service requirements for retirement at that time, and shall
24 continue during the life of the annuitant. An annuity granted

1 under the provisions of section 6 or 7 hereof shall be subject
2 to the limitations specified in said sections."

3 SEC. 14. Section 14 of the Act of May 29, 1930, as
4 amended, is hereby repealed.

5 SEC. 15. Except as otherwise provided herein, this Act
6 shall become effective on the first day of the fourth month
7 following the month of approval.

80TH CONGRESS
1ST Session

H. R. 3872

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

JUNE 17, 1947

Referred to the Committee on Post Office and Civil
Service

80TH CONGRESS
1ST SESSION

H. R. 3511

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on Civil Service

AN ACT

To extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 (e) (1) of the Civil Service Retirement
4 Act of May 29, 1930, as amended, is amended by striking
5 out "June 30, 1947" and inserting in lieu thereof "June 30,
6 1948".

Passed the House of Representatives June 16, 1947.

Attest:

JOHN ANDREWS,
Clerk.

80TH CONGRESS
1st Session

H. R. 3511

AN ACT

To extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948.

JUNE 18 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on Civil Service

AMENDING THE CIVIL SERVICE RETIREMENT ACT

JUNE 27, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CORBETT, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H. R. 3872]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 3872) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

(1) On page 5, line 25, before the period, insert the following:

and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted

(2) On page 5, after line 25, insert the following new subsection:

(c) Section 3 (a) of the Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

“Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.”

(3) On page 13, line 4, strike out “(a)” following the numeral “7”.

(4) On page 13, beginning with line 11, strike out all thereafter through line 4 on page 14, and insert the following:

SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered 5 years of service, computed as prescribed in section 5 of this Act, but less than 10 years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of 62 years, or the age at separation if beyond the age of 62 computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

(b) Should any officer or employee to whom this Act applies, after having rendered at least 10 years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of 62 years.

(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.

(5) On page 14, line 14, strike out all thereafter through the end of line 20, and insert in lieu thereof the following:

Provided, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable.

(6) On page 14, lines 22 and 23, strike out the words "date of approval", and insert in lieu thereof "effective date".

(7) On page 14, line 25, strike out the words "date of approval", and insert in lieu thereof "effective date".

(8) On page 23, line 14, after the words "section 7 (a)" insert "or 7 (b)".

EFFECT OF AMENDMENTS

Amendment (1) is a clarifying amendment to assure that the rights and obligations of the persons subject to the provisions of Section 3A of the act of May 29, 1930, as amended, remain as they are in the present law.

Amendment (2) extends the time in which employees of the legislative branch of the Government serving on the effective date of the act may exercise the option to become members of the retirement system. By reason of personal circumstances some congressional employees have not heretofore exercised such option. The present law requires that such option be exercised within 6 months from the date of appointment. This amendment will give those persons who so desire an opportunity to exercise such option at any time prior to July 1, 1948.

Amendment (3) is made in order that the language of section 6 of the bill is in conformity with amendment No. (4).

Amendment (4) provides that any officer or employee who is separated after having rendered 5 years of civilian service but less than 10 years of civilian service may elect to receive a refund of his contributions to the retirement fund with interest thereon to date of separation, or he may leave his contributions in the fund and receive his annuity upon his attaining the age of 62 years. The officer or employee who has completed 10 or more years of civilian service must leave his money on deposit and receive an annuity upon attaining the age of 62 years.

Amendment (5) will make it possible for an annuitant on the rolls on the effective date of the act, who is a wife, to elect in lieu of the increase provided by this bill for annuitants, to retain her present annuity and have an amount equal to one-half of such annuity paid to her husband upon her death, but the annuity to the beneficiary would not exceed \$600 per annum. A similar provision is contained in the bill for male annuitants.

Amendments (6) and (7) provide for uniformity of the effective date of the amendment to the retirement law proposed by section 8 of the bill.

Amendment (8) is made in order that the language of the bill may be in conformity with amendment (4).

STATEMENT

This bill proposes legislation which will liberalize the Civil Service Retirement Act of May 29, 1930, as amended. The committee devoted much study to the annuities and benefits given Federal employees under present law and concluded that liberalizations were necessary.

Briefly, the principal provisions of the bill are as follows:

(1) Optional retirement is granted at 60 years of age after 10 years' Federal service, or on a reduced annuity at the age of 55. Between these ages the annuity received is reduced by 6 percent for each year the employee is below the age of 60.

(2) Provision is made for benefits to dependents of survivors of employees who die in the service and of annuitants.

(3) Retired employees now on the annuity rolls are to obtain increased annuity benefits, or in lieu thereof are permitted to obtain certain benefits for their surviving spouse.

(4) Provision is made for a more simple and more equitable method of computing annuities which raises annuities by approximately 5 percent in the higher salary groups to 25 percent in the lower brackets. An increase of 25 percent or \$300, whichever is the lesser, is provided for present annuitants.

(5) Federal employees' contributions to the retirement fund are increased from 5 percent to 6 percent of such employees' basic salary.

(6) Retirement deductions are to be refunded to employees who have had less than 5 years of service, optional refunds are provided for those employees with from 5 to 10 years of service (excluding military service), but contributions to the retirement fund from employees with 10 or more years of service (excluding military service) are to be retained in the retirement fund until such age as annuities are provided.

(7) The so-called tontine service charge against Federal employees is eliminated.

APPROPRIATIONS NECESSARY FOR CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Board of Actuaries of the civil service retirement and disability fund submitted a memorandum to the committee on May 14, 1947, in which it was estimated that amendment to the Retirement Act in accordance with the basic principles of the proposed legislation would increase the annual Government cost of the retirement plan by 2.14 percent of the pay roll, amounting to approximately \$105,000,000 on the basis of a pay roll of almost \$5,000,000,000 as of June 30, 1946. This estimate was based on the distribution and average salaries of the membership of the fund as of June 30, 1940, the date of the last quinquennial valuation, and thus gave no effect to the substantial increases in salaries which have occurred during recent years.

Since many of the benefits under both the present law and the bill are based on flat amounts per year of service, irrespective of salary, the cost of such benefits, expressed as a percentage of salary, tends to decrease as the average salary increases. The Civil Service Commission supplied the Board current salary data as a basis for measuring the effect of the increase in salaries, and on June 6, 1947, the Board submitted an amended estimate of the additional annual cost of the

proposed legislation amounting to eighty-nine hundredths percent of pay roll.

The Civil Service Commission estimated that during the fiscal year 1948, 1,400,000 employees with aggregate salaries of \$3,700,000,000 would be subject to the Retirement Act. Taking into account the decreased percentage cost of the present law because of increased average salaries, the Commission further estimates that the total annual Government cost of the retirement plan, if amended in accordance with the bill, would be approximately 7 percent of pay roll. On the basis of the estimated pay roll of \$3,700,000,000, this results in an estimated appropriation for the fiscal year 1949 of \$259,000,000, as compared with the request of \$244,000,000, for the fiscal year 1948 under the present law, or an increase of \$15,000,000.

ADMINISTRATIVE EXPENSES

The inclusion of widows' and children's benefits will require the Civil Service Commission to process 6,000 additional claims in fiscal year 1948. This additional volume of work will increase its operating costs approximately \$75,000 above appropriations already requested for 1948.

The elimination of the tontine charge will greatly simplify administration in the agencies. It has been estimated by the agencies in material furnished the Civil Service Commission that elimination of the tontine will produce savings of 100 man-years in administration.

The substitution of two simple formulas for calculating annuities in lieu of the present four complex provisions makes it possible for any Federal employee to readily determine his own annuity without the aid of an expert. This improvement alone should relieve the agencies of much detail in answering employee inquiries, both oral and written.

ANALYSIS OF THE PROVISIONS OF THE BILL

SECTION 1

Under existing law optional retirement is permitted at age 60 after 30 years of service, at age 62 after 15 years of service, and, on a reduced annuity, at age 55 after 30 years of service. Under the amendment made by section 1, optional retirement would be permitted at age 60 after 10 years of service, or on a reduced annuity at age 55 after 10 years' service. In the case of retirement between the ages 55 and 60 the annuity would be reduced by 6 percent for each year the employee is under age 60.

The present law gives an employee involuntarily separated between July 1, 1945, and June 30, 1947, at age 55 with 25 years' service an immediate annuity reduced by 2 percent for each year the employee is under age 60 or 62, depending on his length of service. H. R. 3872 removes this 55-year limitation thereby permitting the benefit at any age, but with a 3-percent reduction for each year the employee is under the age of 60 years, and makes the provision permanent. This provision will become effective July 1, 1947.

SECTION 2

This section retains the existing compulsory retirement age of 70 years but reduced the service requirement from 15 to 10 years, and this section also provides an entirely new feature to the retirement law with respect to reemployed annuitants. Under the present law an employee retired under section 1 (age or optionally), may be reemployed in the Federal service only if, in the opinion of the appointing authority, he possesses special qualifications. The annuity previously awarded is terminated upon any such reemployment, and the employee again becomes subject to the Retirement Act with a new annuity right arising under the law in effect at the time of subsequent separation from the service.

It is proposed that the same privileges of reemployment be continued except that if the person is age 60 or over, the annuity will continue to be paid during his reemployment and his salary, as an employee, reduced by the amount of annuity being received. The employee would acquire no additional retirement rights during such period of reemployment.

This will result in a saving in administrative costs because of the elimination of dropping annuitants from the roll, recomputing annuities, and reentering annuitants on the roll. It will prevent inequities arising as a result of annuitants being reemployed primarily for the purpose of acquiring new or additional retirement rights.

SECTION 3

This section amends section 3A of the Retirement Act which was added by section 602 of the Legislative Reorganization Act of 1946 and which extended to Members of Congress the privilege of becoming members of the civil-service-retirement system. The existing law provides for the payment of the total amount deducted from his salary with compound interest at 4 percent if the Member of Congress becomes separated from the service before completing an aggregate of 6 years of service as a Member of Congress. This section would reduce the interest rate from 4 to 3 percent after 1947.

Stipulation is also contained therein that the above amendment is the only provision in H. R. 3872 which will in any way affect the retirement of Members of Congress. The reduction in interest rate for Members of Congress will conform to that proposed for other members of the system. None of the liberalized features of the act, including survivor benefits, will be available to Members of Congress.

This section will also permit secretaries and clerks to Members of Congress and congressional committees who heretofore have not elected to become members of the retirement system to do so, provided such election is made prior to July 1, 1948.

SECTION 4

The existing law provides that the annuity granted thereunder shall be composed of a sum equal to \$30 for each year of service not exceeding 30 (which total may not exceed three-fourths of the average annual basic salary received by the employee for the highest five

consecutive years, or be less than the employee's purchasable life annuity), plus the amount purchasable with the sum (including interest) to the credit of the employee's individual account in the retirement fund. Provision is made that the annuity shall not be less than an amount equal to the average annual basic salary, not to exceed \$1,600 per annum, received by the employee during the highest five consecutive years of allowable service, multiplied by the number of years of service, not exceeding 30 years, and divided by 40. The law contains a third proviso which guarantees an annuity equal to one-seventieth of the average basic salary for the highest five consecutive years, multiplied by the number of years of service not exceeding 35. In each individual case, the method which will produce the maximum benefit is used.

H. R. 3872 provides that the annuity formula shall be $1\frac{1}{2}$ percent of the highest average salary for five consecutive years multiplied by years of service, or 1 percent of such average salary plus \$25 multiplied by years of service. In no case may the annuity exceed 90 percent of the employee's highest 5 years' average salary. (In general, only the lower-salaried employees will be able to qualify for an annuity of 90 percent of salary; the average-salaried employee would need to work approximately 50 years and the high-salaried employee would need to work approximately 60 years to qualify for a retirement benefit of 90 percent of salary.)

The present option given a retiring employee to elect an increased annuity carrying with it upon his death a forfeiture of his retirement contributions to the Government is repealed.

The present act permits an employee retiring under the age or optional provision of the Retirement Act to elect a reduced annuity carrying with it upon the employee's death a continuing benefit at the same rate or 50 percent thereof to a designated survivor annuitant. This section further provides that in the event of death of the employee within 30 days from the date of retirement, the election shall become void, and the death shall be treated as a death in the active service. H. R. 3872 provides two joint and survivor annuity plans. Section 4 (b) would allow a retiring employee (other than one receiving an annuity under sec. 7) to elect an annuity reduced by 10 percent with the provision that 50 percent of his original annuity would be paid to his widow, beginning at his death or her attainment of age 60, whichever is later. Section 4 (c) would allow an employee retiring optionally or for age to elect a reduced annuity with the provision that a survivor annuitant designated at time of retirement, receive an annuity of 50 percent of the employee's reduced annuity after his death. This election is available only to those employees who furnish satisfactory evidence of good health. The reduction in the employee's annuity depends on the difference between his age and that of the survivor annuitant. This subsection is similar to the existing law excepting that the 30-day waiting period is eliminated, and there is substituted the requirement of physical examination.

SECTION 5

This section requires that 5 years of civilian service be rendered before any employee may have title to annuity, rather than a combination of civilian and military service as provided in the present law.

It eliminates the present requirement that military service forming the basis for pension (generally only 90 days) be deducted from the time base for retirement.

SECTION 6

This will allow employees who were receiving hospital treatment an additional period to file claims for disability annuity, which provision will cover only a few meritorious cases. It will also eliminate the necessity for further medical examinations for disability annuitants after they have reached age 60.

SECTION 7

The present law freezes retirement deductions from and after January 24, 1942, in the case of employees who have served 5 years or more, and gives them in return, a right to annuity beginning at age 62 or 55, depending upon whether the separation was voluntary or involuntary.

H. R. 3872 provides a right to annuity beginning at age 62 after completion of at least 5 years of civilian service, and regardless of the reason for separation. Any employee who at the date of separation has served an aggregate of at least 5 years but less than 10 years of civilian service may elect to receive an annuity beginning at age 62 or draw a refund of the amount to his account with interest thereon. If the employee elects to receive the refund, he will then forfeit any right to future annuity unless he is again reemployed in a position within the purview of the act. Any employee who at the time of separation has completed an aggregate of 10 or more years of civilian service must leave his contributions to the fund on deposit, and will receive an annuity upon attaining age 62.

SECTION 8

This section provides certain benefits for retired employees already on the annuity rolls. The annuity of each such person would be increased, effective on the first day of the fourth month following the date of enactment by 25 percent or \$300, whichever is less, unless the annuitant elects in lieu of such increase to retain his present annuity and to have an amount equal to one-half the amount of his annuity paid to his or her spouse upon the annuitant's death, but the annuity to the spouse may not exceed \$600 per annum. Such amount would be payable during the remainder of the life of the spouse.

This section also provides that a former officer or employee who presently holds a vested title to a future annuity shall retain this right, but he is offered the privilege of forfeiting his annuity and to elect in lieu thereof to receive a return of contributions.

SECTION 9

Section 9 of the present law permits an employee to make deposit in the retirement fund covering periods of service when not subject to the act, and for which he made no contribution. This section continues this privilege but provides that no interest on deposits shall be required, and that no deposit shall be required for military service.

SECTION 10

This section provides for an increase from 5 to 6 percent in employee contributions beginning with the first pay period in 1948. As regards voluntary contributions made by employees to increase their annuities, the present actuarial factors now used in determining the additional annuity are replaced by simpler specified figures.

SECTION 11

This section amends section 12 of the Retirement Act so as to eliminate the so-called \$1-a-month tontine charge. Provisions relating to the tontine charge appearing in other sections of the act are likewise eliminated.

This section also provides for return of deductions with interest upon separation with less than 5 years' service. No interest is payable if the service covered by the refund aggregates 1 year or less.

Under existing law deductions are returnable with interest upon separation with less than 5 years' service, but tontine is withheld in voluntary separation cases, and no interest is allowed for service of 1 year or less.

Subsections (c) and (d) of section 12 as amended by this bill provide survivorship benefits in the case of employees dying in the service after having served for five or more years. The widow of any such employee would be entitled upon attaining age 60 to receive an annuity terminable upon death equal to one-half the amount of an annuity computed on the basis of the salary and years of service of the employee; except that if the employee is also survived by a child or children entitled to annuity as described in the following paragraph the annuity of the widow would become payable immediately and would continue to be payable so long as an annuity is paid to a surviving child entitled to annuity. Her annuity would then be terminated but would be resumed at age 60 as in the case of a childless widow.

Surviving children, including dependent stepchildren and adopted children while under the age of 18 and unmarried or regardless of age, while incapable of self-support because of physical or mental disability, would receive annuities equal to one-fourth the amount of annuity computed on the basis of the salary and years of service of the employee. A child's annuity could not exceed \$900 divided by the number of such children or \$360, whichever is lesser. A widow would not be eligible for benefits under this act unless she had been married to the employee for the 5-year period immediately preceding his death, or is the mother of issue by such marriage. Provision is made for corresponding benefits for surviving widows with children or orphans of deceased annuitants, other than annuitants under section 7.

Section 11 of the bill also provides for a return of deductions with interest, as under existing law, to a beneficiary in case of death of an employee who leaves no survivors entitled to annuity and a return of deductions without interest if he leaves qualified survivors.

Where an annuitant who has not elected a joint and survivorship annuity dies without having received in annuities an amount equal to the total amount credited to his individual account with interest,

the difference and any accrued annuity will be returned to his beneficiary. Under existing law the amount returnable in such case is the difference between the amount credited to the employee's account with interest and the amount chargeable to the employee as his portion of the annuity purchased with his contributions.

In all cases the interest rate on amounts credited to employee accounts will be reduced from 4 to 3 percent with respect to periods after December 31, 1947, thus affecting amounts returnable in the case of deceased employees and annuitants.

SECTION 12

This proposed change is for administrative expediency only. It provides that annuities shall accrue monthly, thereby eliminating the necessity of any settlement covering a small sum for a fractional part of a month.

SECTION 13

This section will allow the Civil Service Commission to make an age and optional annuity retroactively payable to the first of the month following termination of the employee's salary if he was eligible for annuity at that point. At present, the annuity cannot begin until actual separation occurs, and some employees who have been in leave-without-pay status have a period when neither salary nor annuity is payable. This will affect only a few meritorious cases.

SECTION 14

This will repeal section 14 of the present act, which section no longer serves any purpose.

SECTION 15

This section provides that the act shall be effective on the first day of the fourth month following approval, except as otherwise provided.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

ELIGIBILITY FOR SUPERANNUATION RETIREMENT

【SEC. 1. (a) All officers and employees to whom this Act applies who shall have attained, or shall hereafter attain, the age of seventy years and have rendered at least fifteen years of service computed as prescribed in section 5 of this Act shall be eligible for retirement on an annuity as provided in section 4 hereof.】

SEC. 1. (a) *Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least ten years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.*

【(b) Any officer or employee to whom this Act applies who shall have attained, or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have

attained, or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service may, upon his own option, retire and shall be paid an annuity computed as provided in section 4 of this Act.】

(b) *Any officer or employee to whom this Act applies who shall have attained the age of fifty-five years and have rendered at least ten years of service computed as prescribed in section 5 may voluntarily retire and shall be paid an immediate life annuity computed as provided in section 4 of this Act, reduced by one-half of 1 per centum for each full month such officer or employee is under the age of sixty years.*

【(c) The head of a department or independent Government agency concerned may request the retirement of any such officer or employee described in subsection (b) of this section who, by reason of a disqualification is unable to perform satisfactorily and efficiently the duties of his position or some other position of the same grade or class as that occupied by the employee and to which he could be assigned. No such request shall be submitted to the Civil Service Commission unless and until the said officer or employee has been notified in writing of the proposed retirement. Each such officer or employee shall, upon request by him, have opportunity for a hearing before the Civil Service Commission, at which hearing the officer or employee may appear in person or he may be represented by a person of his choice. No such officer or employee shall be so retired unless the Civil Service Commission after examination finds that he is so disqualified. The determination of the Civil Service Commission as to whether the officer or employee shall be retired under this subsection shall be final and conclusive. Any person so retired shall be paid an annuity computed as provided in section 4 hereof. Nothing in this subsection shall be deemed to authorize any person to request the retirement of any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, or any employee of the office of the Architect of the Capitol.】

(c) *Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, (1) upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, or (2) upon voluntary separation from the service if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been so involuntarily separated from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation, shall be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.*

【(d) Any officer or employee who has completed thirty years of service computed in accordance with the provisions of section 5 hereof and who has reached or may hereafter reach the age of fifty-five years may voluntarily retire and shall be paid an immediate life annuity beginning on the first day of the month following the date of separation from the service having a value equal to the present worth of a deferred annuity at the age of sixty years computed as provided in section 4 of this Act.

【(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

【(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

【(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employer is A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act.

【If none of the options provided in this section is exercised prior to the date upon which the officer or employee would otherwise be eligible for retirement from the service, the provisions of this Act with respect to automatic separation from the service shall apply.】

AUTOMATIC SEPARATION

【SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), all officers or employees to whom this Act applies shall, on the last day of the month in which they attain retirement age as defined in the preceding section; and having rendered at least fifteen years of service, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and it shall be the duty of the head of each department, branch, or independent office of the Government concerned to notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof.】

SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed ten years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes ten years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: Provided, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

【(b) No person separated from the service who is receiving an annuity under the provisions of section 1 of this Act shall be eligible again to appointment to any appointive office, position, or employment under the United States or of the Government of the District of Columbia unless the appointing authority determines that he is possessed of special qualifications, in which event payment of his annuity shall be terminated during the period of his appointment: Provided, however, That nothing in this Act shall be so construed as to affect the rights of the annuitant's beneficiary if the annuitant has been receiving or had elected and was otherwise entitled to a reduced annuity under section 4 (d) and dies while so reemployed or continued in the service or within thirty days after the termination of his reemployment or continuation, but all such rights shall continue and may be enforced in the same manner as if the annuitant had not been reemployed or continued: And provided further, That during such reemployment or continuation there shall be deducted and withheld from the salary, pay, or compensation of such employee at each pay period a proportionate amount of the annual difference between the life annuity to which the employee would have been entitled and the reduced annuity elected by the employee. The amounts so deducted and withheld shall be deposited in the Treasury of the United States to the credit of civil service retirement and disability fund. Any such person whose annuity is terminated shall, upon the termination of his appointment, have his subsequent annuity rights determined under the provisions of law in effect at the time of such termination.】

(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: Provided, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: Provided further, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service.

EMPLOYEES TO WHOM THE ACT SHALL APPLY

* * * * *

SEC. 3A. * * *

(6) (a) In the case of a Member of Congress who becomes separated from the service before he completes an aggregate of six years of service as a Member of Congress, and who is not retired for disability, the total amount deducted from his basic salary, pay, or compensation or deposited by him as a Member of Congress [.] shall be returned to such Member of Congress together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter compounded [as of] on December 31 of each year, [shall be returned to such Member of Congress] to date of separation. No such Member of Congress shall thereafter become eligible to receive an annuity as provided in this section unless the amounts so returned are redeposited with interest at 4 per centum compounded on December 31 of each year, but interest shall not be required covering any period of separation from the service.

(b) In case a Member of Congress shall die prior to retirement the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter, compounded on December 31 of each year to date of death shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

(c) In case a former Member of Congress receiving an annuity under this section shall die without having received in purchasable annuities an amount equal to the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter, compounded on December 31 of each year to date of retirement, the difference and/or any accrued annuity due shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

METHOD OF COMPUTING ANNUITIES

[SEC. 4. (a) The annuity of an employee retired under the provisions of the preceding sections of this Act shall be a life annuity, terminable upon the death of the annuitant and shall be composed of (1) a sum equal to \$30 for each year of service not exceeding thirty: *Provided*, That such portion of the annuity shall not exceed three-fourths of the annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee; nor shall such portion be less than an amount equal to the employee's purchasable annuity as provided in (2) hereof; and (2) the amount of annuity purchasable with the sum to the credit of the employee's individual account as provided in section 12 (a) hereof, together with interest at 4 per centum per annum compounded on December 31 of each year, according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries.

[(b) The total annuity paid shall in no case be less than an amount equal to the average annual basic salary, pay, or compensation, not to exceed \$1,600 per annum, received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty years, and divided by forty; nor shall such total annuity paid be less than an amount equal to the average annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty-five years, and divided by seventy.]

SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That if deposit or redeposit under section 7, 9, or 12 (b) hereof has not been made, the annuity for the period or periods of service covered by the deposit or redeposit shall be in an amount equal to 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or

employee multiplied by the years of such service: Provided further, That in no case shall the annuity exceed an amount equal to 90 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

[(c) Any employee at the time of his retirement may elect to receive, in lieu of the life annuity herein described, an increased annuity of equivalent value which shall carry with it a proviso that no unexpended part of the principal upon the annuitant's death shall be returned.]

(b) *Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity equal to 90 per centum of such life annuity and an annuity after his death payable to his surviving widow equal to 50 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age sixty, whichever is the later, and shall terminate upon her death.*

[(d) Any employee retiring under the provisions of section 1 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to his beneficiary, duly designated in writing and filed with the Civil Service Commission at the time of his retirement during the life of such beneficiary (a) equal to or (b) 50 per centum of such reduced annuity and upon the death of such surviving beneficiary all payments shall cease and no further annuity shall be due or payable. The amounts of the two annuities shall be such that their combined actuarial value on the date of retirement as determined by the Civil Service Commission shall be the same as the actuarial value of the single life increased annuity with forfeiture provided by this section: *Provided, That no election in lieu of the life annuity provided herein shall become effective in case an employee dies within thirty days after the effective date of retirement, and in the event of such death within this period, such death shall be considered as a death in active service.*]

(c) *Any officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission.*

[(e)] (d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the [annuity] *monthly annuity installment* shall be fixed at the nearest [multiple of twelve] *dollar*.

[(f)] (e) The term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.

COMPUTATION OF ACCREDITED SERVICE

SEC. 5. Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any [benefit] *annuity* provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified *officer or employee* in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the

United States; in the case of an *officer or employee*, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included; in the case of an employee who is eligible for and receives a pension on account of non-service-connected disability under laws administered by the Veterans' Administration the minimum period of service necessary to entitle him to pension shall not be included; but in the case of an employee who is eligible for and receives pension or compensation under laws administered by the Veterans' Administration on account of service-connected disability, all honorable military or naval service shall be included; *except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: Provided, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. [and nothing] Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.*

DISABILITY RETIREMENT—MEDICAL EXAMINATIONS REQUIRED

SEC. 6. Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years *computed as provided in section 5 of this Act*, and who, before *[becoming eligible for retirement under the conditions defined in the preceding sections] meeting the age and service requirements for retirement under section 1 (a) hereof*, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. [No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter: Provided, That any employee who heretofore has failed to file an application for retirement within six months after separation from the service, may file such application within three months after the effective date of this Act.]* No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. *No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in [cases] case of [employees] an officer or employee who at the date of separation from service or within six months thereafter[, are adjudged mentally incompetent] is receiving hospital treatment, but the application in such [cases] case must be filed with the Civil Service Commission [within one year from the date of restoration of any such person to competency or the appointment of a fiduciary whichever is the earlier. In the case of any such person heretofore separated from service application may be filed within one year after the effective date of this Act.] not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.*

Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching *[retirement] age sixty*, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician

or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching [retirement] age *sixty* and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any *officer or employee* retired on an annuity under this section.

If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall [after due diligence on his part] fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been [involuntarily] separated from the service within the meaning of section 7 (a) of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to [an] *a deferred annuity* in accordance with the provisions of such section [computed at the attained age at the date of discontinuance of the disability annuity].

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SEPARATION FROM THE SERVICE

[SEC. 7. (a) Should any officer or employee to whom this Act applies, after having served for a total period of not less than five years and before becoming eligible for retirement become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, computed as provided in clauses (1) and (2) of section 4 (a) of this Act: *Provided*, That any such person involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency may elect to receive an immediate annuity beginning at the age of fifty-five or at the date of separation from the service if subsequent to that age having a value equal to the present worth of a deferred annuity beginning at the age of sixty-two years, or at age of separation if subsequent to age sixty-two, computed as provided in section 4 of this Act: *Provided further*, That nothing in this Act shall be so construed as to prohibit the refund of deductions, deposits, or redeposits made prior to the effective date of this Act with interest thereon, or of any voluntary contributions made under the provisions of section 10 of this Act, with interest: *And provided further*, That all moneys, except voluntary contributions, so refunded an officer or employee must be redeposited with interest before such officer or employee may derive any annuity benefits based on the service covered by the refund.]

SEC. 7. (a) Should any officer or employee to whom this Act applies, after having rendered at least five years of service computed as prescribed in section 5 of this Act and before becoming eligible for retirement under section 1 (a) of this Act, become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or age at separation if beyond age sixty-two, computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

[(b) Should an annuitant under the provisions of this section be reemployed in a position included in the provisions of this Act, the annuity and any right to an immediate or deferred annuity as provided herein shall cease as of the date of such employment. If such annuitant is reemployed in any position in the service of the United States or the District of Columbia, not within the provisions of this Act, annuity payments shall be discontinued during the period of such employment, and resumed in the same amount upon termination of such employment.

[(c) Interest shall be allowed on the amount credited to such separated officer's or employee's individual account in the retirement fund at 3 per centum compounded on December 31 of each year until the beginning date of annuity.]

(b) All amounts returned to an officer or employee under this section must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.

BENEFITS EXTENDED TO THOSE ALREADY RETIRED

【SEC. 8. In the case of those who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, or said Act as amended, or as extended by Executive orders, the annuity shall be computed, adjusted, and paid under the provisions of this Act, but this Act shall not be so construed as to reduce the annuity of any person retired before its effective date, nor shall any increase in annuity commence before such effective date.

【In the case of those who before the enactment of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or the Act of May 29, 1930, as amended, the annuity shall be recomputed and paid in accordance with the provisions of section 4 of this Act.

【Nothing herein contained shall be construed so as to reduce the annuity of any annuitant, nor shall any increase in annuity accrue under this Act to any annuitant for any period prior to the effective date of this Act.】

SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the fourth month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: Provided, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his present annuity, in lieu of the increased annuity provided by this section, and name his wife to receive upon his death one-half of his present annuity but not to exceed \$600 per annum during the remainder of her life and upon her death no further annuity shall be due or payable.

In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to date of approval of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such date of approval, such annuity shall be computed in accordance with section 4 of this Act but any reduction applicable thereto shall be determined as if this Act had not been enacted: Provided, That any such officer or employee may elect to forfeit his right to such annuity and elect in lieu thereof to receive the benefits provided by section 7 of this Act.

CREDIT FOR PAST SERVICE

【SEC. 9. Beginning with the effective date of this Act, all employees who may be brought then or thereafter within the purview of the Act by legislative enactment, or by appointment, or through classification, or by transfer, or reinstatement, or Executive order, or otherwise, shall be required to deposit with the Treasurer of the United States to the credit of the "civil-service retirement and disability fund" a sum equal to $2\frac{1}{2}$ per centum of the employee's basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926, and also $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942, and also 5 per centum of such basic pay, salary, or compensation for services rendered on and after July 1, 1942, together with interest computed at the rate of 4 per centum per annum compounded on December 31 of each fiscal year, but such interest shall not be included for any period during which the employee was separated from the service. All employees who may hereafter be brought within the purview of this Act may elect to make such deposits in installments during the continuance of their service in such amounts and under such conditions as may be determined in each instance by the *Civil Service Commission*. The amount so deposited, less \$1 for each month, or major fraction thereof, of service after the effective date of this Act, shall be credited to the employee's individual account, as provided in section 12 (a) hereof: *Provided, That failure to make such deposit shall not deprive the employee of credit for any past service rendered prior to August 1, 1920, to which he or she would otherwise be entitled: And provided further, That, notwithstanding the failure of an employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by the amount such deposit would purchase if made, unless the employee shall elect to eliminate such service entirely from credit under this Act.*】

SER. 9. Each officer or employee within the purview of this Act may deposit to the credit of the "civil-service retirement and disability fund" a sum equal to $2\frac{1}{2}$ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered

from and after July 1, 1942, and prior to the first day of the first pay period in 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Upon making such deposit, the officer or employee shall be entitled to full credit for the period or periods of service involved: *Provided, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States.*

DEDUCTIONS AND DONATIONS

SEC. 10. Beginning as of July 1, [1926] 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to [3½] 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided, That [after June 30, 1942] from and after the first day of the first pay period in 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of [any] each officer or employee to whom this Act applies a sum equal to [5] 6 per centum of such officer's or employee's basic salary, pay, or compensation.* The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the "civil-service retirement and disability fund" created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum [per annum] of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission [with the approval of the Board of Actuaries], an annuity in addition to the annuity provided by this Act [an annuity according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries based on an interest rate of 4 per centum]. *The life annuity shall consist of \$7 for each \$100 in case the officer or employee has not reached age sixty; \$8 if he has reached age sixty but not age sixty-five; \$9 if he has reached age sixty-five but not age seventy; and \$10 if he has reached age seventy.* In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year shall be refunded in accordance with the provisions of section 12 of this Act.

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RETURNS OF AMOUNTS DEDUCTED FROM SALARIES

SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service [during the period] from and after August 1, 1920, to the effective date of this Act, shall be credited to an individual account of such officer or employee, to be maintained by the department or office by which he is employed and the amounts deducted and withheld from the basic salary, pay, or compensation of each employee for credit to the "civil-service retirement and disability fund" covering service from and after the effective date of this Act, less the sum of \$1 per month or major fraction thereof, shall similarly be credited to such individual account].

[(b) In the case of any officer or employee to whom this Act applies who shall be transferred to a position not within the purview of this Act, or who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed in accordance with section 5 of this Act, the amount of deductions from his basic salary, pay, or compensation credited

to his individual account, together with interest at 4 per centum compounded on December 31 of each year shall be returned to such officer or employee: *Provided*, That when an officer or employee becomes involuntarily separated from the service, not by removal for cause on charges of misconduct or delinquency before completing five years of creditable service the total amount of deductions from his basic salary, pay, or compensation with interest at 4 per centum compounded on December 31 of each year shall be returned to such officer or employee: *Provided further*, That no such interest shall be allowed on any separation unless the service covered thereby aggregates more than one year: *Provided further*, That all deductions from basic salary, pay, or compensation so returned to an officer or employee must, upon reinstatement, retransfer, or reappointment to a position coming within the purview of this Act be redeposited with interest at 4 per centum compounded on December 31 of each year before such officer or employee may derive any benefits under this Act, except as provided in this section, but interest shall not be required covering any period of separation from the service. In computing interest under this subsection, a fractional part of a month in the total service of an officer or employee shall be disregarded.】

(b) (1) *In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: Provided, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.*

(2) *All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.*

【(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 4 of this Act an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

【First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

【Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

【Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

【In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this Act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity.

【(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

【First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

【Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

【Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.】

(c) (1) *In case any officer or employee to whom this Act applies shall die after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age sixty, whichever is the later, equal to 50 per centum of the amount of an annuity computed as provided in section 4 (a) hereof with respect to*

such officer or employee: *Provided, That such payments shall cease upon death of the widow.*

(2) *In case any officer or employee to whom this Act applies shall die after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to the effective date of this Act under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, attainment of age sixty, or upon termination of payments to the last surviving child, equal to 50 per centum of the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee.*

(3) *In case any officer or employee to whom this Act applies shall die after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to the effective date of this Act under section 1, 2, or 6, and leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to one-fourth the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser.*

(4) *The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.*

(d) *As used in this Act—*

(1) *The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least five years immediately preceding his death, or (B) is the mother of issue by such marriage.*

(2) *The term "child" means an unmarried child under the age of eighteen, or an unmarried child who because of physical or mental disability is incapable of self-support, a dependent stepchild, or an adopted child.*

(3) *Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.*

(e) *In case an officer or employee to whom this Act applies shall die (1) before having rendered five years of civilian service computed as prescribed in section 5 of this Act or without a survivor or survivors entitled to annuity benefits provided by section 12 (c) hereof the total amount of deductions credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of death, or (2) leaving a survivor or survivors entitled to such annuity benefits the total amount of deductions credited to his individual account without interest, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:*

First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

(f) *In case of death of a retired employee (1) who has not elected a joint and survivorship annuity as provided in section 4 (c) of this Act and who has not received in annuities an amount equal to the total amount credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of retirement, or (2) who has elected a joint and survivorship annuity as provided in section 4 (b) of this Act and who has not received in annuities an amount equal to the total amount*

credited to his individual account, the difference and/or any accrued annuity due shall be paid upon the establishment of a valid claim therefor, in the order of precedence specified in subsection (e) hereof: In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 (a) hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of death, shall be paid upon the establishment of a valid claim therefor in the order of precedence specified in subsection (e) hereof.

(g) *Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: Provided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.*

[(e)] (h) *In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.*

[(f)] (i) *Each employee or annuitant to whom this Act applies [may] shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this Act.*

PAYMENT OF ANNUITIES AND FORM OF APPLICATION

SEC. 13. *Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued, and payment. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the [disbursing clerk for the payment of pensions] Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments.*

[Annuities] *An annuity granted [under this Act] for retirement under the provisions of section 1 or 2 of this Act shall commence the first day of the month following [from] the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. [Annuities] An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections.*

* * * * *

SEC. 14. *Employees who have gone from employment within the purview of this Act to other employment under the Government and have returned to a position under the purview of this Act shall have the time of such other service included in the computation for his retirement: Provided, That such employee shall contribute to the retirement fund upon reentering such employment within the purview of this Act an amount, including interest, equivalent to that which would have been paid if such employee had continued in such employment.]*

Union Calendar No. 368

80TH CONGRESS
1ST SESSION

H. R. 3872

[Report No. 726]

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1947

Mr. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JUNE 27, 1947

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italics]

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:

5 “SEC. 1. (a) Any officer or employee to whom this Act
6 applies who shall have attained or shall hereafter attain the
7 age of sixty years and have rendered at least ten years of
8 service computed as prescribed in section 5 of this Act shall,
9 upon separation from the service, be paid an annuity com-
10 puted as provided in section 4 of this Act.

1 “(b) Any officer or employee to whom this Act applies
2 who shall have attained the age of fifty-five years and have
3 rendered at least ten years of service computed as prescribed
4 in section 5 may voluntarily retire and shall be paid an
5 immediate life annuity computed as provided in section 4
6 of this Act, reduced by one-half of 1 per centum for each full
7 month such officer or employee is under the age of sixty
8 years.

9 “(c) Any officer or employee to whom this Act applies,
10 after having rendered at least twenty-five years of service
11 computed as prescribed in section 5 of this Act, (1) upon
12 involuntary separation from the service not by removal for
13 cause on charges of misconduct or delinquency, or (2) upon
14 voluntary separation from the service if such officer or em-
15 ployee had accepted a position with a lower rate of basic
16 salary, pay, or compensation after having been so involun-
17 tarily separated from a position with a higher rate of basic
18 salary, pay, or compensation, and was receiving less than
19 such higher rate at the time of his voluntary separation, shall
20 be paid an immediate life annuity computed as provided in
21 section 4 of this Act reduced by one-fourth of 1 per centum
22 for each full month such officer or employee is under the age
23 of sixty years. This subsection shall become effective July 1,
24 1947.”

1 SEC. 2. Section 2 of the Act of May 29, 1930, as
2 amended, is amended to read as follows:

3 "SEC. 2. (a) Except as provided in section 204 of
4 the Act of June 30, 1932 (47 Stat. 404), and section 3
5 of the Act of July 13, 1937 (50 Stat. 512), any officer
6 or employee to whom this Act applies who shall have com-
7 pleted ten years of service computed as provided in section
8 5 of this Act shall, on the last day of the month in which
9 he attains the age of seventy years, or completes ten years
10 of service if then beyond such age, be automatically separated
11 from the service, and all salary, pay, or compensation shall
12 cease from that date, and the head of each department,
13 branch, or independent office of the Government concerned
14 shall notify each such employee under his direction of the
15 date of his separation from the service at least sixty days
16 in advance thereof: *Provided*, That should the head of the
17 department, branch, or independent office fail, through error,
18 to give timely notification, the employee's separation from
19 the service shall not be effected without his consent until
20 the expiration of said sixty-day period. Upon such separa-
21 tion, the officer or employee shall be eligible for retirement
22 on annuity as provided in section 4 hereof.

23 "(b) No person who is receiving an annuity under the
24 provisions of this Act and who has reached the age of sixty

1 years shall be eligible again to appointment to any appointive
2 office, position, or employment under the Government of
3 the United States or of the District of Columbia, unless
4 the appointing authority determines that he is possessed
5 of special qualifications: *Provided*, That no deductions for
6 the retirement fund shall be withheld from the salary, pay,
7 or compensation of such person, but there shall be deducted
8 from his salary, pay, or compensation otherwise payable a
9 sum equal to the retirement annuity allocable to the period
10 of actual employment: *Provided further*, That the annuity
11 in such case shall not be redetermined upon such person's
12 subsequent separation from the service."

13 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
14 May 29, 1930, as amended, is amended to read as follows:

15 "(6) (a) In the case of a Member of Congress who
16 becomes separated from the service before he completes an
17 aggregate of six years of service as a Member of Congress,
18 and who is not retired for disability, the total amount de-
19 ducted from his basic salary, pay, or compensation or de-
20 posited by him as a Member of Congress shall be returned
21 to such Member of Congress together with interest at 4 per
22 centum per annum to December 31, 1947, and at 3 per
23 centum per annum thereafter compounded on December 31
24 of each year, to date of separation. No such Member of
25 Congress shall thereafter become eligible to receive an

1 annuity as provided in this section unless the amounts so
2 returned are redeposited with interest at 4 per centum com-
3 pounded on December 31 of each year, but interest shall
4 not be required covering any period of separation from the
5 service.

6 “(b) In case a Member of Congress shall die prior to
7 retirement the total sums deducted from his basic salary,
8 pay, or compensation or deposited by him, together with
9 interest at 4 per centum per annum to December 31, 1947,
10 and at 3 per centum per annum thereafter, compounded on
11 December 31 of each year to date of death shall be paid,
12 upon the establishment of a valid claim therefor, in the
13 order of precedence prescribed in section 12.

14 “(c) In case a former Member of Congress receiving
15 an annuity under this section shall die without having re-
16 ceived in purchasable annuities an amount equal to the total
17 sums deducted from his basic salary, pay, or compensation
18 or deposited by him, together with interest at 4 per centum
19 per annum to December 31, 1947, and at 3 per centum per
20 annum thereafter, compounded on December 31 of each
21 year to date of retirement, the difference and/or any accrued
22 annuity due shall be paid, upon the establishment of a valid
23 claim therefor, in the order of precedence prescribed in
24 section 12.”

25 (b) Except as provided in this section the amendments

1 made by this Act shall not apply to any person subject to
2 the provisions of section 3A of the Act of May 29, 1930, as
3 amended, *and the rights and obligations of such person under*
4 *such Act shall continue as though this Act had not been*
5 *enacted.*

6 (c) Section 3 (a) of the Act of May 29, 1930, as
7 amended, is amended by adding at the end thereof the fol-
8 lowing:

9 “Notwithstanding any other provision of this Act, any
10 officer or employee in the legislative branch of the Govern-
11 ment within the classes of officers or employees which were
12 made eligible for the benefits of this Act by the Act of July
13 13, 1937, serving in such position on the effective date of
14 this Act, may give notice of his desire to come within the
15 purview of this Act at any time prior to July 1, 1948.”

16 SEC. 4. Section 4 of the Act of May 29, 1930, as
17 amended, is amended to read as follows:

18 “SEC. 4. (a) The annuity of an officer or employee
19 retired under this Act shall be a life annuity, terminable
20 upon the death of the annuitant and shall be an amount
21 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
22 annual basic salary, pay, or compensation received by the
23 officer or employee during any five consecutive years of
24 allowable service at the option of the officer or employee
25 multiplied by the years of service, or (2) 1 per centum of

1 the average annual basic salary, pay, or compensation re-
2 ceived by the officer or employee during any five consecutive
3 years of allowable service at the option of the officer or
4 employee multiplied by the years of service, plus a sum
5 equal to \$25 for each year of such service: *Provided*, That
6 if deposit or redeposit under section 7, 9, or 12 (b) hereof
7 has not been made, the annuity for the period or periods of
8 service covered by the deposit or redeposit shall be in an
9 amount equal to 1 per centum of the average annual basic
10 salary, pay, or compensation received by the officer or
11 employee during any five consecutive years of allowable
12 service at the option of the officer or employee multiplied by
13 the years of such service: *Provided further*, That in no case
14 shall the annuity exceed an amount equal to 90 per centum
15 of the highest average annual basic salary, pay, or compen-
16 sation received by the officer or employee during five con-
17 secutive years of allowable service.

18 . “(b) Any officer or employee, if a husband, retiring
19 under the provisions of section 1, 2, or 6 of this Act may
20 at the time of his retirement elect to receive in lieu of the
21 life annuity described herein a reduced annuity equal to
22 90 per centum of such life annuity and an annuity after his
23 death payable to his surviving widow equal to 50 per centum
24 of such life annuity. The annuity of such widow shall
25 begin on the first day of the month in which the death of

1 the husband occurs or the first day of the month following
2 the widow's attainment of age sixty, whichever is the later,
3 and shall terminate upon her death.

4 “(c) Any officer or employee in good health retiring
5 under the provisions of section 1 or 2 of this Act may at
6 the time of his retirement elect to receive in lieu of the life
7 annuity described herein a reduced annuity payable to him
8 during his life, and an annuity after his death payable to a
9 survivor annuitant, duly designated in writing and filed with
10 the Civil Service Commission at the time of his retirement,
11 during the life of such survivor annuitant equal to 50 per
12 centum of such reduced annuity and upon the death of such
13 survivor annuitant all payments shall cease and no further
14 annuity shall be due and payable. The annuity hereunder
15 payable to the officer or employee shall be 90 per centum
16 of the life annuity otherwise payable if the survivor annuitant
17 is the same age or older than the annuitant, or is less than
18 five years younger than the annuitant; 85 per centum if
19 the survivor annuitant is five but less than ten years younger;
20 80 per centum if the survivor annuitant is ten but less than
21 fifteen years younger; 75 per centum if the survivor annui-
22 tant is fifteen but less than twenty years younger; 70 per
23 centum if the survivor annuitant is twenty but less than
24 twenty-five years younger; and 60 per centum if the survivor
25 annuitant is twenty-five or more years younger. No such

1 election shall be valid until the retiring officer or employee
2 shall have satisfactorily passed a physical examination as
3 prescribed by the Civil Service Commission.

4 “(d) For the purpose of this Act all periods of service
5 shall be computed in accordance with section 5 hereof, and
6 the monthly annuity installment shall be fixed at the nearest
7 dollar.

8 “(e) The term ‘basic salary, pay, or compensation’,
9 wherever used in this Act, shall be so construed as to exclude
10 from the operation of the Act all bonuses, allowances, over-
11 time pay, or salary, pay, or compensation given in addition
12 to the base pay of the position as fixed by law or regulation.”

13 SEC. 5. The first paragraph of section 5 of the Act of
14 May 29, 1930, as amended, is amended to read as follows:

15 “Subject to the provisions of section 9 hereof, the aggre-
16 gate period of service which forms the basis for calculating the
17 amount of any annuity provided in this Act shall be computed
18 from the date of original employment, whether as a classified
19 or an unclassified officer or employee in the civil service of
20 the United States, or in the service of the District of Colum-
21 bia, including periods of service at different times and in
22 one or more departments, branches, or independent offices,
23 or the legislative branch of the Government, and also periods
24 of service performed overseas under authority of the United

1 States, and periods of honorable service in the Army, Navy,
2 Marine Corps, or Coast Guard of the United States; in the
3 case of an officer or employee, however, who is eligible for
4 and receives retired pay on account of military or naval
5 service, the period of service upon which such retired pay
6 is based shall not be included, except that in the case of an
7 officer or employee who is eligible for and receives retired
8 pay on account of a service-connected disability incurred in
9 combat with an enemy of the United States or resulting from
10 an explosion of an instrument of war, the period of the mili-
11 tary service shall be included: *Provided*, That an officer or
12 employee must have served for a total period of not less than
13 five years exclusive of such military or naval service before
14 he shall be eligible for annuity under this Act. Nothing in
15 this Act shall be construed as to affect in any manner an
16 officer's or employee's right to retired pay, pension, or com-
17 pensation in addition to the annuity herein provided."

18 SEC. 6. The first three paragraphs of section 6 of the
19 Act of May 29, 1930, as amended, are amended to read as
20 follows:

21 "Any officer or employee to whom this Act applies who
22 shall have served for a total period of not less than five
23 years computed as provided in section 5 of this Act, and
24 who, before meeting the age and service requirements for
25 retirement under section 1 (a) hereof, becomes totally dis-

1 abled for useful and efficient service in the grade or class
2 of position occupied by the officer or employee, by reason
3 of disease or injury not due to vicious habits, intemper-
4 ance, or willful misconduct on the part of the officer or
5 employee, shall upon his own application or upon the re-
6 quest or order of the head of the department, branch, or
7 independent office concerned, be retired on an annuity com-
8 puted in accordance with the provisions of section 4 hereof:
9 *Provided*, That proof of freedom from vicious habits, intem-
10 perance, or willful misconduct for a period of more than five
11 years next prior to becoming so disabled for useful and effi-
12 cient service, shall not be required in any case. No officer
13 or employee shall be retired under the provisions of this sec-
14 tion unless examined by a medical officer of the United
15 States, or a duly qualified physician or surgeon, or board
16 of physicians or surgeons, designated by the Civil Service
17 Commission for that purpose, and found to be disabled in
18 the degree and in the manner specified herein. No claim
19 shall be allowed under the provisions of this section unless
20 the application for retirement shall have been executed prior
21 to the applicant's separation from the service or within six
22 months thereafter. The time limitation for execution of
23 claims for retirement under the terms of this section may be
24 waived by the Civil Service Commission in case of an officer
25 or employee who at the date of separation from service or

1 within six months thereafter is receiving hospital treatment,
2 but the application in such case must be filed with the Civil
3 Service Commission not later than six months after the ter-
4 mination of such hospitalization; in the case of any such per-
5 son heretofore separated from service application may be
6 filed within six months after the effective date of this Act.
7 Such time limitation may similarly be waived in the case
8 of an officer or employee who at the date of separation
9 from service or within six months thereafter is mentally
10 incompetent, but the application in such case must be filed
11 with the Civil Service Commission within one year from
12 the date of restoration of such person to competency or the
13 appointment of a fiduciary whichever is the earlier.

14 “Every annuitant retired under the provisions of this
15 section unless the disability for which retired be permanent
16 in character, shall at the expiration of one year from the date
17 of such retirement and annually thereafter, until reaching
18 age sixty, be examined under the direction of the Civil Serv-
19 ice Commission by a medical officer of the United States, or
20 a duly qualified physician or surgeon, or board of physicians
21 or surgeons designated by the Civil Service Commission for
22 that purpose, in order to ascertain the nature and degree of
23 the annuitant's disability, if any. If an annuitant shall re-
24 cover before reaching age sixty and be restored to an earn-
25 ing capacity which would permit him to be appointed to

1 some appropriate position fairly comparable in compensa-
2 tion to the position occupied at the time of retirement, pay-
3 ment of the annuity shall be continued temporarily to afford
4 the annuitant opportunity to seek such available position,
5 but not in any case exceeding one year from the date of the
6 medical examination showing such recovery. Should the
7 annuitant fail to appear for examination as required under
8 this section, payment of the annuity shall be suspended until
9 continuance of the disability shall have been satisfactorily
10 established. The Civil Service Commission may order or
11 direct at any time such medical or other examination as it
12 shall deem necessary to determine the facts relative to the
13 nature and degree of disability of any officer or employee
14 retired on an annuity under this section.

15 "If a recovered disability annuitant whose annuity is
16 discontinued subsequent to June 30, 1945, shall fail to obtain
17 reemployment in any position included in the provisions of
18 this Act, he shall be considered as having been separated
19 from the service within the meaning of section 7 (a) of this
20 Act as of the date he was retired for disability and shall,
21 after the discontinuance of the disability annuity, be entitled
22 to a deferred annuity in accordance with the provisions of
23 such section."

24 "SEC. 7. Section 7 of the Act of May 29, 1930, as
25 amended, is amended to read as follows:

1 “SEC. 7. ~~(a)~~ Should any officer or employee to whom
 2 this Act applies, after having rendered at least five years
 3 of service computed as prescribed in section 5 of this Act
 4 and before becoming eligible for retirement under section
 5 ~~1 (a)~~ of this Act, become separated from the service,
 6 such officer or employee shall be paid as he may elect, ~~(A)~~
 7 a deferred annuity beginning at the age of sixty-two years,
 8 or age at separation if beyond age sixty-two, computed as
 9 provided in section 4 ~~(a)~~ of this Act, or ~~(B)~~ the total
 10 amount credited to his individual account together with
 11 interest at 4 per centum per annum to December 31, 1947,
 12 and 3 per centum per annum thereafter compounded on
 13 December 31 of each year to date of separation.

14 “~~(b)~~ All amounts returned to an officer or employee
 15 under this section must, upon reinstatement, retransfer, or
 16 reappointment to a position within the purview of this Act,
 17 be redeposited by such officer or employee before he may
 18 receive full credit for the service covered by the refund.”

19 “SEC. 7. *(a) Should any officer or employee to whom*
 20 *this Act applies after having rendered five years of service,*
 21 *computed as prescribed in section 5 of this Act, but less than*
 22 *ten years of creditable civilian service and before becoming*
 23 *eligible for retirement under section 1 (a) of this Act become*
 24 *separated from the service, such officer or employee shall be*
 25 *paid as he may elect, (A) a deferred annuity beginning at*

1 the age of sixty-two years, or the age at separation if beyond
2 the age of sixty-two computed as provided in section 4 (a)
3 of this Act, or (B) the total amount credited to his individual
4 account together with interest at 4 per centum per annum
5 to December 31, 1947, and 3 per centum per annum there-
6 after compounded on December 31 of each year to date of
7 separation.

8 “(b) Should any officer or employee to whom this Act
9 applies, after having rendered at least ten years of creditable
10 civilian service and before becoming eligible for retirement
11 under section 1 (a) of this Act become separated from the
12 service, such officer or employee shall be paid a deferred
13 annuity beginning at the age of sixty-two years.

14 “(c) All amounts returned to an officer or employee
15 under this section must upon reinstatement, retransfer, or reap-
16 pointment to a position within the purview of this Act be
17 redeposited by such officer or employee before he may receive
18 full credit for the service covered by the refund.”

19 SEC. 8. Section 8 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 8. In the case of any officer or employee who
22 before the effective date of this Act shall have been retired
23 on annuity under the provisions of the Act of May 22, 1920,
24 as amended, or section 8 (a) of the Act of June 16, 1933,
25 the annuity shall be increased, effective on the first day of

1 the fourth month following the month in which this Act is
2 enacted by 25 per centum or \$300, whichever is the lesser:
3 *Provided, That each such annuitant may, prior to the ef-*
4 *fective date herein prescribed, elect to retain his present*
5 *annuity, in lieu of the increased annuity provided by this*
6 *section, and name his wife to receive upon his death one-*
7 *half of his present annuity but not to exceed \$600 per annum*
8 *during the remainder of her life and upon her death no*
9 *further annuity shall be due or payable That each such*
10 *annuitant may, prior to the effective date herein prescribed,*
11 *elect to retain his or her present annuity, in lieu of the*
12 *increased annuity provided by this section, and name his wife*
13 *or her husband to receive upon his or her death one-half*
14 *of his or her present annuity but not to exceed \$600 per*
15 *annum during the remainder of the life of such surviving*
16 *husband or wife and upon the death of such survivor no*
17 *further annuity shall be due or payable.*

18 "In case any officer or employee shall have been sep-
19 arated subsequent to January 23, 1942, and prior to date
20 of approval effective date of this Act and have acquired
21 title to annuity under section 7 of the Act of May 29,
22 1930, as amended, beginning after such date of approval
23 effective date, such annuity shall be computed in accord-
24 ance with section 4 of this Act but any reduction ap-
25 plicable thereto shall be determined as if this Act had

1 not been enacted: *Provided*, That any such officer or
2 employee may elect to forfeit his right to such annuity
3 and elect in lieu thereof to receive the benefits provided by
4 section 7 of this Act.”

5 SEC. 9. Section 9 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 “SEC. 9. Each officer or employee within the purview
8 of this Act may deposit to the credit of the ‘civil-service
9 retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum
10 of his basic salary, pay, or compensation received for services
11 rendered after July 31, 1920, and prior to July 1, 1926;
12 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
13 services rendered from and after July 1, 1926, and prior to
14 July 1, 1942; 5 per centum of said basic pay, salary, or
15 compensation for services rendered from and after July 1,
16 1942, and prior to the first day of the first pay period in
17 1948, and also 6 per centum thereafter, covering service dur-
18 ing which no deductions were withheld for deposit in the said
19 fund. Each such officer or employee may elect to make such
20 deposits in installments during the continuance of his service
21 in such amounts and under such conditions as may be deter-
22 mined in each instance by the Civil Service Commission.
23 The amount so deposited shall be credited to the individual
24 account of the officer or employee in the said fund. Upon
25 making such deposit, the officer or employee shall be entitled

1 to full credit for the period or periods of service involved:
2 *Provided*, That no deposit shall be required for any service
3 rendered prior to August 1, 1920, or for periods of honorable
4 service in the Army, Navy, Marine Corps, or Coast Guard of
5 the United States.”

6 SEC. 10. The first two paragraphs of section 10 of the
7 Act of May 29, 1930, as amended, are amended to read as
8 follows:

9 “Beginning as of July 1, 1942, there shall be deducted
10 and withheld from the basic salary, pay, or compensation of
11 each officer or employee to whom this Act applies a sum
12 equal to 5 per centum of such officer’s or employee’s basic
13 salary, pay, or compensation: *Provided*, That from and
14 after the first day of the first pay period in 1948, there shall
15 be deducted and withheld from the basic salary, pay, or
16 compensation of each officer or employee to whom this Act
17 applies a sum equal to 6 per centum of such officer’s or
18 employee’s basic salary, pay, or compensation. The amounts
19 so deducted and withheld from the basic salary, pay, or
20 compensation of each officer or employee shall, in accord-
21 ance with such procedure as may be prescribed by the
22 Comptroller General of the United States, be deposited in
23 the Treasury of the United States to the credit of the ‘civil-
24 service retirement and disability fund’ created by the Act
25 of May 22, 1920, and said fund is hereby appropriated for

1 the payment of annuities, refunds, and allowances as provided
2 in this Act.

3 “Any officer or employee may at his option and under
4 such regulations as may be prescribed by the Civil Service
5 Commission deposit additional sums in multiples of \$25 but
6 not to exceed 10 per centum of his annual basic salary, pay,
7 or compensation, for service rendered since August 1, 1920,
8 which amount together with interest thereon at 3 per centum
9 per annum compounded as of December 31 of each year,
10 shall, at the date of his retirement, be available to purchase,
11 as he shall elect and in accordance with such rules and
12 regulations as may be prescribed by the Civil Service Com-
13 mission, an annuity in addition to the annuity provided
14 by this Act. The life annuity shall consist of \$7 for each
15 \$100 in case the officer or employee has not reached age
16 sixty; \$8 if he has reached age sixty but not age sixty-five;
17 \$9 if he has reached age sixty-five but not age seventy; and
18 \$10 if he has reached age seventy. In the event of death
19 or separation from the service of such officer or employee
20 before becoming eligible for retirement on annuity, the total
21 amount so deposited with interest at 3 per centum per
22 annum to date of death or separation compounded on De-
23 cember 31 of each year shall be refunded in accordance with
24 the provisions of section 12 of this Act.”

1 SEC. 11. Section 12 of the Act of May 29, 1930, as
2 amended, is amended to read as follows:

3 “SEC. 12. (a) Under such regulations as may be pre-
4 scribed by the Civil Service Commission the amounts de-
5 ducted and withheld from the basic salary, pay, or compensa-
6 tion of each officer or employee for credit to the ‘civil-service
7 retirement and disability fund’ created by the Act of May
8 22, 1920, covering service from and after August 1, 1920,
9 shall be credited to an individual account of such officer or
10 employee.

11 “(b) (1) In the case of any officer or employee to
12 whom this Act applies who shall become absolutely sep-
13 arated from the service before he shall have completed an
14 aggregate of five years of service computed as prescribed
15 in section 5 of this Act, or who shall be transferred to a
16 position not within the purview of this Act, the amount
17 credited to his individual account together with interest at
18 4 per centum per annum to December 31, 1947, and 3
19 per centum per annum thereafter compounded on December
20 31 of each year to date of separation shall be returned to
21 such officer or employee: *Provided*, That in computing
22 interest under this subsection, a fractional part of a month
23 in the total service covered by the refund shall be disre-
24 garded, and no interest shall be allowed in any case unless

1 the service covered by the refund aggregates more than one
2 year.

3 “(2) All amounts returned to an officer or employee
4 under this subsection must, upon reinstatement, retransfer,
5 or reappointment to a position within the purview of this
6 Act, be redeposited by such officer or employee before he
7 may receive full credit for the service covered by the refund.

8 “(c) (1) In case any officer or employee to whom
9 this Act applies shall die after having rendered at least five
10 years of civilian service computed as prescribed in section 5
11 of this Act and is survived by a widow, such widow shall
12 be paid an annuity beginning the first day of the month
13 following the death of the officer or employee or following
14 the widow's attainment of age sixty, whichever is the later,
15 equal to 50 per centum of the amount of an annuity com-
16 puted as provided in section 4 (a) hereof with respect to
17 such officer or employee: *Provided*, That such payments
18 shall cease upon death of the widow.

19 “(2) In case any officer or employee to whom this
20 Act applies shall die after having rendered at least five years
21 of civilian service computed as prescribed in section 5 of
22 this Act, or after having retired subsequent to the effective
23 date of this Act under section 1, 2, or 6, and is survived
24 by a widow and a child or children, such widow shall be

1 paid an immediate annuity terminable upon death, attain-
2 ment of age sixty, or upon termination of payments to the
3 last surviving child, equal to 50 per centum of the amount
4 of an annuity computed as provided in section 4 (a) hereof
5 with respect to such officer or employee.

6 “(3) In case any officer or employee to whom this
7 Act applies shall die after having rendered at least five
8 years of civilian service computed as prescribed in section
9 5 of this Act or after having retired subsequent to the effec-
10 tive date of this Act under section 1, 2, or 6, and leaves
11 a surviving child or children, there shall be paid to or on
12 behalf of each such child an immediate annuity equal to one-
13 fourth the amount of an annuity computed as provided in
14 section 4 (a) hereof with respect to such officer or employee,
15 but not to exceed \$900 divided by the number of such
16 children or \$360, whichever is lesser.

17 “(4) The annuity payable to a child under this sub-
18 section shall be terminable upon (A) his attaining the age
19 of eighteen years, (B) his marriage, or (C) his death,
20 whichever first occurs, except that if such child is incapable
21 of self-support by reason of mental or physical disability
22 his annuity shall be terminable only upon death, marriage,
23 or recovery from such disability. In any case in which the
24 annuity of a child, under this subsection, is terminated, the
25 annuities of any other child or children, based upon the serv-

1 ice of the same officer or employee, shall be recomputed and
2 paid as though the child whose annuity was so terminated
3 had not survived such officer or employee.

4 “(d) As used in this Act—

5 “(1) The term ‘widow’ means a surviving wife of an
6 individual, who either (A) shall have been married to such
7 individual for at least five years immediately preceding his
8 death, or (B) is the mother of issue by such marriage.

9 “(2) The term ‘child’ means an unmarried child under
10 the age of eighteen, or an unmarried child who because of
11 physical or mental disability is incapable of self-support, a
12 dependent stepchild, or an adopted child.

13 “(3) Questions of dependency and disability arising
14 under this section shall be determined by the Civil Service
15 Commission and its decisions with respect to such matters
16 shall be final and conclusive and shall not be subject to re-
17 view. The Commission may order or direct at any time
18 such medical or other examinations as it shall deem neces-
19 sary to determine the facts relative to the nature and degree
20 of disability of any annuitant or applicant for annuity under
21 this section, and may suspend or deny any such annuity
22 for failure to submit to any such examination.

23 “(e) In case an officer or employee to whom this Act
24 applies shall die (1) before having rendered five years of
25 civilian service computed as prescribed in section 5 of this

1 Act or without a survivor or survivors entitled to annuity
2 benefits provided by section 12 (c) hereof the total amount
3 of deductions credited to his individual account with interest
4 thereon at 4 per centum per annum to December 31, 1947,
5 and 3 per centum per annum thereafter compounded on
6 December 31 of each year to date of death, or (2) leaving
7 a survivor or survivors entitled to such annuity benefits the
8 total amount of deductions credited to his individual account
9 without interest, shall be paid upon the establishment of a
10 valid claim therefor, in the following order of precedence:

11 "First, to the beneficiary or beneficiaries designated in
12 writing by such officer or employee and recorded with the
13 Civil Service Commission;

14 "Second, if there be no such beneficiary, to the duly ap-
15 pointed executor or administrator of the estate of such officer
16 or employee;

17 "Third, if there be no such beneficiary or executor or
18 administrator, payment may be made, after the expiration of
19 thirty days from the date of the death of the officer or em-
20 ployee, to such person or persons as may appear in the judg-
21 ment of the Civil Service Commission to be legally entitled
22 thereto, and such payment shall be a bar to recovery by any
23 other person.

24 "(f) In case of death of a retired employee (1) who
25 has not elected a joint and survivorship annuity as provided

1 in section 4 (c) of this Act and who has not received in
2 annuities an amount equal to the total amount credited to
3 his individual account with interest thereon at 4 per centum
4 per annum to December 31, 1947, and 3 per centum per
5 annum thereafter compounded on December 31 of each year
6 to date of retirement, or (2) who has elected a joint and
7 survivorship annuity as provided in section 4 (b) of this
8 Act and who has not received in annuities an amount equal
9 to the total amount credited to his individual account, the
10 difference and/or any accrued annuity due shall be paid
11 upon the establishment of a valid claim therefor, in the order
12 of precedence specified in subsection (e) hereof: In case
13 any separated officer or employee who is entitled to a de-
14 ferred annuity as provided in section 7 (a) or 7 (b) hereof
15 shall die before having established a valid claim for annuity,
16 the total amount credited to his individual account with in-
17 terest thereon at 4 per centum per annum to December 31,
18 1947, and 3 per centum per annum thereafter compounded
19 on December 31 of each year to date of death, shall be paid
20 upon the establishment of a valid claim therefor in the order
21 of precedence specified in subsection (e) hereof.

22 “(g) Where any payment under this Act is to be made
23 to a minor, or to a person mentally incompetent or under
24 other legal disability adjudged by a court of competent juris-
25 diction, such payment may be made to the person who is

1 constituted guardian or other fiduciary by the law of the
2 State of residence of such claimant or is otherwise legally
3 vested with the care of the claimant or his estate: *Provided*,
4 That where no guardian or other fiduciary of the person
5 under legal disability has been appointed under the laws
6 of the State of residence of the claimant, the Civil Service
7 Commission shall determine the person who is otherwise
8 legally vested with the care of the claimant or his estate.

9 “(h) In case a former employee entitled to the return
10 of the amount credited to his individual account shall become
11 legally incompetent, the total amount due may be paid to
12 a duly appointed guardian or committee of such former em-
13 ployee. If the amount of refund due such former employee
14 does not exceed \$1,000, and if there has been no demand
15 upon the Civil Service Commission by a duly appointed
16 guardian or committee, payment may be made, after the
17 expiration of thirty days from date of separation from the
18 service, to such person or persons, in the discretion of the
19 Commission, who may have the care and custody of such
20 former employee, and such payment shall be a bar to
21 recovery by any other person.

22 “(i) Each employee or annuitant to whom this Act
23 applies shall, under regulations prescribed by the Civil
24 Service Commission, designate a beneficiary or beneficiaries
25 to whom shall be paid, upon the death of the employee or

1 annuitant any sum remaining to his credit (including any
2 accrued annuity) under the provisions of this Act.”

3 SEC. 12. The first paragraph of section 13 of the Act of
4 May 29, 1930, as amended, is amended to read as follows:

5 “Annuities granted under the terms of this Act shall
6 accrue monthly and shall be due and payable in monthly
7 installments on the first business day of the month following
8 the month or other period for which the annuity shall have
9 accrued. Payment of all annuities, refunds, and allowances
10 granted hereunder shall be made by checks drawn and issued
11 by the Treasury Department in such form and manner and
12 with such safeguards as shall be prescribed by the Civil
13 Service Commission in accordance with the laws, rules, and
14 regulations governing accounting that may be found applica-
15 ble to such payments.”

16 SEC. 13. The third paragraph of section 13 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “An annuity granted for retirement under the provisions
19 of section 1 or 2 of this Act shall commence the first day
20 of the month following the date of separation from the service,
21 or on the first day of the month following the month in which
22 salary shall cease provided the employee meets the age and
23 service requirements for retirement at that time, and shall
24 continue during the life of the annuitant. An annuity granted

1 under the provisions of section 6 or 7 hereof shall be subject
2 to the limitations specified in said sections.”

3 SEC. 14. Section 14 of the Act of May 29, 1930, as
4 amended, is hereby repealed.

5 SEC. 15. Except as otherwise provided herein, this Act
6 shall become effective on the first day of the fourth month
7 following the month of approval.

[Report No. 726]

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

JUNE 17, 1947

Referred to the Committee on Post Office and Civil
Service

JUNE 27, 1947

Reported with amendments, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

80TH CONGRESS
1ST SESSION

H. R. 4127

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 1947

MR. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:

5 “SEC. 1. (a) Any officer or employee to whom this
6 Act applies who shall have attained or shall hereafter attain
7 the age of sixty years and have rendered at least thirty years
8 of service computed as prescribed in section 5 of this Act,
9 or who shall have attained or shall hereafter attain the age
10 of sixty-two years and have rendered at least fifteen years
11 of such service, shall, upon separation from the service, be

1 paid an annuity computed as provided in section 4 of this
2 Act.

3 “(b) Any officer or employee to whom this Act applies
4 who shall have attained or shall hereafter attain the age of
5 fifty-five years and have rendered at least thirty years of
6 service computed as prescribed in section 5 of this Act shall,
7 upon separation from the service, be paid an annuity com-
8 puted as provided in section 4 of this Act, reduced by one-half
9 of 1 per centum for each full month such officer or employee
10 is under the age of sixty years.

11 “(c) Any officer or employee to whom this Act applies,
12 after having rendered at least twenty-five years of service
13 computed as prescribed in section 5 of this Act, (1) upon
14 involuntary separation from the service not by removal for
15 cause on charges of misconduct or delinquency, or (2) upon
16 voluntary separation from the service if such officer or em-
17 ployee had accepted a position with a lower rate of basic
18 salary, pay, or compensation after having been so involun-
19 tarily separated from a position with a higher rate of basic
20 salary, pay, or compensation, and was receiving less than
21 such higher rate at the time of his voluntary separation, shall
22 be paid an immediate life annuity computed as provided in
23 section 4 of this Act reduced by one-fourth of 1 per centum
24 for each full month such officer or employee is under the age

1 of sixty years. This subsection shall become effective July 1,
2 1947.”

3 SEC. 2. Section 2 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 2. (a) Except as provided in section 204 of
6 the Act of June 30, 1932 (47 Stat. 404), and section 3
7 of the Act of July 13, 1937 (50 Stat. 512), any officer
8 or employee to whom this Act applies who shall have com-
9 pleted fifteen years of service computed as provided in section
10 5 of this Act shall, on the last day of the month in which
11 he attains the age of seventy years, or completes fifteen years
12 of service if then beyond such age, be automatically separated
13 from the service, and all salary, pay, or compensation shall
14 cease from that date, and the head of each department,
15 branch, or independent office of the Government concerned
16 shall notify each such employee under his direction of the
17 date of his separation from the service at least sixty days
18 in advance thereof: *Provided*, That should the head of the
19 department, branch, or independent office fail, through error,
20 to give timely notification, the employee’s separation from
21 the service shall not be effected without his consent until
22 the expiration of said sixty-day period. Upon such separa-
23 tion, the officer or employee shall be eligible for retirement
24 on annuity as provided in section 4 hereof.

1 “(b) No person who is receiving an annuity under the
2 provisions of this Act and who has reached the age of sixty
3 years shall be eligible again to appointment to any appointive
4 office, position, or employment under the Government of
5 the United States or of the District of Columbia, unless
6 the appointing authority determines that he is possessed of
7 special qualifications: *Provided*, That no deductions for the
8 retirement fund shall be withheld from the salary, pay, or
9 compensation of such person, but there shall be deducted
10 from his salary, pay, or compensation otherwise payable a
11 sum equal to the retirement annuity allocable to the period
12 of actual employment: *Provided further*, That the annuity
13 in such case shall not be redetermined upon such person’s
14 subsequent separation from the service.”

15 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
16 May 29, 1930, as amended, is amended to read as follows:

17 “(6) (a) In the case of a Member of Congress who
18 becomes separated from the service before he completes an
19 aggregate of six years of service as a Member of Congress,
20 and who is not retired for disability, the total amount de-
21 ducted from his basic salary, pay, or compensation or de-
22 posited by him as a Member of Congress shall be returned
23 to such Member of Congress together with interest at 4 per
24 centum per annum to December 31, 1947, and at 3 per
25 centum per annum thereafter compounded on December 31

1 of each year, to date of separation. No such Member of
2 Congress shall thereafter become eligible to receive an
3 annuity as provided in this section unless the amounts so
4 returned are redeposited with interest at 4 per centum com-
5 pounded on December 31 of each year, but interest shall
6 not be required covering any period of separation from the
7 service.

8 “(b) In case a Member of Congress shall die prior to
9 retirement the total sums deducted from his basic salary,
10 pay, or compensation or deposited by him, together with
11 interest at 4 per centum per annum to December 31, 1947,
12 and at 3 per centum per annum thereafter, compounded on
13 December 31 of each year to date of death shall be paid,
14 upon the establishment of a valid claim therefor, in the
15 order of precedence prescribed in section 12.

16 “(c) In case a former Member of Congress receiving
17 an annuity under this section shall die without having re-
18 ceived in purchasable annuities an amount equal to the total
19 sums deducted from his basic salary, pay, or compensation
20 or deposited by him, together with interest at 4 per centum
21 per annum to December 31, 1947, and at 3 per centum per
22 annum thereafter, compounded on December 31 of each
23 year to date of retirement, the difference and/or any accrued
24 annuity due shall be paid, upon the establishment of a valid

1 claim therefor, in the order of precedence prescribed in
2 section 12.”

3 (b) Except as provided in this section the amendments
4 made by this Act shall not apply to any person subject to
5 the provisions of section 3A of the Act of May 29, 1930, as
6 amended, and the rights and obligations of such person under
7 such Act shall continue as though this Act had not been
8 enacted.

9 (c) Section 3 (a) of the Act of May 29, 1930, as
10 amended, is amended by adding at the end thereof the
11 following:

12 “Notwithstanding any other provision of this Act, any
13 officer or employee in the legislative branch of the Govern-
14 ment within the classes of officers or employees which were
15 made eligible for the benefits of this Act by the Act of July
16 13, 1937, serving in such position on the effective date of
17 this Act, may give notice of his desire to come within the
18 purview of this Act at any time prior to July 1, 1948.”

19 SEC. 4. Section 4 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 4. (a) The annuity of an officer or employee
22 retired under this Act shall be a life annuity, terminable
23 upon the death of the annuitant and shall be an amount
24 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
25 annual basic salary, pay, or compensation received by the

1 officer or employee during any five consecutive years of
2 allowable service at the option of the officer or employee
3 multiplied by the years of service, or (2) 1 per centum of
4 the average annual basic salary, pay, or compensation re-
5 ceived by the officer or employee during any five consecutive
6 years of allowable service at the option of the officer or
7 employee multiplied by the years of service, plus a sum
8 equal to \$25 for each year of such service: *Provided*, That
9 if deposit or redeposit under section 7, 9, or 12 (b) hereof
10 has not been made, the annuity for the period or periods of
11 service covered by the deposit or redeposit shall be in an
12 amount equal to 1 per centum of the average annual basic
13 salary, pay, or compensation received by the officer or
14 employee during any five consecutive years of allowable
15 service at the option of the officer or employee multiplied by
16 the years of such service: *Provided further*, That in no case
17 shall the annuity exceed an amount equal to 90 per centum
18 of the highest average annual basic salary, pay, or compen-
19 sation received by the officer or employee during five con-
20 secutive years of allowable service.

21 “(b) Any officer or employee, if a husband, retiring
22 under the provisions of section 1, 2, or 6 of this Act may
23 at the time of his retirement elect to receive in lieu of the
24 life annuity described herein a reduced annuity equal to
25 90 per centum of such life annuity and an annuity after his

1 death payable to his surviving widow equal to 50 per centum
2 of such life annuity. The annuity of such widow shall
3 begin on the first day of the month in which the death of
4 the husband occurs or the first day of the month following
5 the widow's attainment of age sixty, whichever is the later,
6 and shall terminate upon her death.

7 “(c) Any officer or employee in good health retiring
8 under the provisions of section 1 or 2 of this Act may at
9 the time of his retirement elect to receive in lieu of the life
10 annuity described herein a reduced annuity payable to him
11 during his life, and an annuity after his death payable to a
12 survivor annuitant, duly designated in writing and filed with
13 the Civil Service Commission at the time of his retirement,
14 during the life of such survivor annuitant equal to 50 per
15 centum of such reduced annuity and upon the death of such
16 survivor annuitant all payments shall cease and no further
17 annuity shall be due and payable. The annuity hereunder
18 payable to the officer or employee shall be 90 per centum
19 of the life annuity otherwise payable if the survivor annuitant
20 is the same age or older than the annuitant, or is less than
21 five years younger than the annuitant; 85 per centum if
22 the survivor annuitant is five but less than ten years younger;
23 80 per centum if the survivor annuitant is ten but less than
24 fifteen years younger; 75 per centum if the survivor annui-
25 tant is fifteen but less than twenty years younger; 70 per

1 centum if the survivor annuitant is twenty but less than
2 twenty-five years younger; and 60 per centum if the survivor
3 annuitant is twenty-five or more years younger. No such
4 election shall be valid until the retiring officer or employee
5 shall have satisfactorily passed a physical examination as
6 prescribed by the Civil Service Commission.

7 “(d) For the purpose of this Act all periods of service
8 shall be computed in accordance with section 5 hereof, and
9 the monthly annuity installment shall be fixed at the nearest
10 dollar.

11 “(e) The term ‘basic salary, pay, or compensation’,
12 wherever used in this Act, shall be so construed as to exclude
13 from the operation of the Act all bonuses, allowances, over-
14 time pay, or salary, pay, or compensation given in addition
15 to the base pay of the position as fixed by law or regulation.”

16 SEC. 5. The first paragraph of section 5 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “Subject to the provisions of section 9 hereof, the aggre-
19 gate period of service which forms the basis for calculating the
20 amount of any annuity provided in this Act shall be computed
21 from the date of original employment, whether as a classified
22 or an unclassified officer or employee in the civil service of
23 the United States, or in the service of the District of Colum-
24 bia, including periods of service at different times and in

1 one or more departments, branches, or independent offices,
2 or the legislative branch of the Government, and also periods
3 of service performed overseas under authority of the United
4 States, and periods of honorable service in the Army, Navy,
5 Marine Corps, or Coast Guard of the United States; in the
6 case of an officer or employee, however, who is eligible for
7 and receives retired pay on account of military or naval
8 service, the period of service upon which such retired pay
9 is based shall not be included, except that in the case of an
10 officer or employee who is eligible for and receives retired
11 pay on account of a service-connected disability incurred in
12 combat with an enemy of the United States or resulting from
13 an explosion of an instrument of war, the period of the mili-
14 tary service shall be included: *Provided*, That an officer or
15 employee must have served for a total period of not less than
16 five years exclusive of such military or naval service before
17 he shall be eligible for annuity under this Act. Nothing in
18 this Act shall be construed as to affect in any manner an
19 officer's or employee's right to retired pay, pension, or com-
20 pensation in addition to the annuity herein provided."

21 SEC. 6. The first three paragraphs of section 6 of the
22 Act of May 29, 1930, as amended, are amended to read as
23 follows:

24 "Any officer or employee to whom this Act applies who
25 shall have served for a total period of not less than five

1 years computed as provided in section 5 of this Act, and
2 who, before meeting the age and service requirements for
3 retirement under section 1 (a) hereof, becomes totally dis-
4 abled for useful and efficient service in the grade or class
5 of position occupied by the officer or employee, by reason
6 of disease or injury not due to vicious habits, intemper-
7 ance, or willful misconduct on the part of the officer or
8 employee, shall upon his own application or upon the re-
9 quest or order of the head of the department, branch, or
10 independent office concerned, be retired on an annuity com-
11 puted in accordance with the provisions of section 4 hereof:
12 *Provided*, That proof of freedom from vicious habits, intem-
13 perance, or willful misconduct for a period of more than five
14 years next prior to becoming so disabled for useful and effi-
15 cient service, shall not be required in any case. No officer
16 or employee shall be retired under the provisions of this sec-
17 tion unless examined by a medical officer of the United
18 States, or a duly qualified physician or surgeon, or board
19 of physicians or surgeons, designated by the Civil Service
20 Commission for that purpose, and found to be disabled in
21 the degree and in the manner specified herein. No claim
22 shall be allowed under the provisions of this section unless
23 the application for retirement shall have been executed prior
24 to the applicant's separation from the service or within six
25 months thereafter. The time limitation for execution of

1 claims for retirement under the terms of this section may be
2 waived by the Civil Service Commission in case of an officer
3 or employee who at the date of separation from service or
4 within six months thereafter is receiving hospital treatment,
5 but the application in such case must be filed with the Civil
6 Service Commission not later than six months after the ter-
7 mination of such hospitalization; in the case of any such per-
8 son heretofore separated from service application may be
9 filed within six months after the effective date of this Act.
10 Such time limitation may similarly be waived in the case
11 of an officer or employee who at the date of separation
12 from service or within six months thereafter is mentally
13 incompetent, but the application in such case must be filed
14 with the Civil Service Commission within one year from
15 the date of restoration of such person to competency or the
16 appointment of a fiduciary whichever is the earlier.

17 "Every annuitant retired under the provisions of this
18 section unless the disability for which retired be permanent
19 in character, shall at the expiration of one year from the date
20 of such retirement and annually thereafter, until reaching
21 age sixty, be examined under the direction of the Civil Serv-
22 ice Commission by a medical officer of the United States, or
23 a duly qualified physician or surgeon, or board of physicians
24 or surgeons designated by the Civil Service Commission for
25 that purpose, in order to ascertain the nature and degree of

1 the annuitant's disability, if any. If an annuitant shall re-
2 cover before reaching age sixty and be restored to an earn-
3 ing capacity which would permit him to be appointed to
4 some appropriate position fairly comparable in compensa-
5 tion to the position occupied at the time of retirement, pay-
6 ment of the annuity shall be continued temporarily to afford
7 the annuitant opportunity to seek such available position,
8 but not in any case exceeding one year from the date of the
9 medical examination showing such recovery. Should the
10 annuitant fail to appear for examination as required under
11 this section, payment of the annuity shall be suspended until
12 continuance of the disability shall have been satisfactorily
13 established. The Civil Service Commission may order or
14 direct at any time such medical or other examination as it
15 shall deem necessary to determine the facts relative to the
16 nature and degree of disability of any officer or employee
17 retired on an annuity under this section.

18 "If a recovered disability annuitant whose annuity is
19 discontinued subsequent to June 30, 1945, shall fail to obtain
20 reemployment in any position included in the provisions of
21 this Act, he shall be considered as having been separated
22 from the service within the meaning of section 7 of this
23 Act as of the date he was retired for disability and shall,
24 after the discontinuance of the disability annuity, be entitled

1 to a deferred annuity in accordance with the provisions of
2 such section."

3 "SEC. 7. Section 7 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 7. (a) Should any officer or employee to whom
6 this Act applies after having rendered five years of service,
7 computed as prescribed in section 5 of this Act, but less than
8 ten years of creditable civilian service and before becoming
9 eligible for retirement under section 1 (a) of this Act become
10 separated from the service, such officer or employee shall be
11 paid as he may elect, (A) a deferred annuity beginning at
12 the age of sixty-two years, or the age at separation if beyond
13 the age of sixty-two computed as provided in section 4 (a)
14 of this Act, or (B) the total amount credited to his individual
15 account together with interest at 4 per centum per annum
16 to December 31, 1947, and 3 per centum per annum there-
17 after compounded on December 31 of each year to date of
18 separation.

19 "(b) Should any officer or employee to whom this Act
20 applies, after having rendered at least ten years of creditable
21 civilian service and before becoming eligible for retirement
22 under section 1 (a) of this Act become separated from the
23 service, such officer or employee shall be paid a deferred
24 annuity beginning at the age of sixty-two years.

25 "(c) All amounts returned to an officer or employee

1 under this section must upon reinstatement, retransfer, or re-
2 appointment to a position within the purview of this Act be
3 redeposited by such officer or employee before he may
4 received full credit for the service covered by the refund.”

5 SEC. 8. Section 8 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 “SEC. 8. In the case of any officer or employee who
8 before the effective date of this Act shall have been retired
9 on annuity under the provisions of the Act of May 22, 1920,
10 as amended, or section 8 (a) of the Act of June 16, 1933,
11 the annuity shall be increased, effective on the first day of
12 the fourth month following the month in which this Act is
13 enacted by 25 per centum or \$300, whichever is the lesser:
14 *Provided*, That each such annuitant may, prior to the effec-
15 tive date herein prescribed, elect to retain his or her present
16 annuity, in lieu of the increased annuity provided by this
17 section, and name his wife or her husband to receive upon
18 his or her death one-half of his or her present annuity but
19 not to exceed \$600 per annum during the remainder of the
20 life of such surviving husband or wife and upon the death
21 of such survivor no further annuity shall be due or payable.

22 “In case any officer or employee shall have been sep-
23 arated subsequent to January 23, 1942, and prior to effective
24 date of this Act and have acquired title to annuity under
25 section 7 of the Act of May 29, 1930, as amended, beginning

1 after such effective date, such annuity shall be computed in
2 accordance with section 4 of this Act but any reduction
3 applicable thereto shall be determined as if this Act had not
4 been enacted: *Provided*, That any such officer or employee
5 may elect to forfeit his right to such annuity and elect in lieu
6 thereof to receive the benefits provided by section 7 of this
7 Act."

8 SEC. 9. Section 9 of the Act of May 29, 1930, as
9 amended, is amended to read as follows:

10 "SEC. 9. Each officer or employee within the purview
11 of this Act may deposit to the credit of the 'civil-service
12 retirement and disability fund' a sum equal to $2\frac{1}{2}$ per centum
13 of his basic salary, pay, or compensation received for services
14 rendered after July 31, 1920, and prior to July 1, 1926;
15 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
16 services rendered from and after July 1, 1926, and prior to
17 July 1, 1942; 5 per centum of said basic pay, salary, or
18 compensation for services rendered from and after July 1,
19 1942, and prior to the first day of the first pay period in
20 1948, and also 6 per centum thereafter, covering service dur-
21 ing which no deductions were withheld for deposit in the said
22 fund. Each such officer or employee may elect to make such
23 deposits in installments during the continuance of his service
24 in such amounts and under such conditions as may be deter-
25 mined in each instance by the Civil Service Commission.

1 The amount so deposited shall be credited to the individual
2 account of the officer or employee in the said fund. Upon
3 making such deposit, the officer or employee shall be entitled
4 to full credit for the period or periods of service involved:
5 *Provided*, That no deposit shall be required for any service
6 rendered prior to August 1, 1920, or for periods of honorable
7 service in the Army, Navy, Marine Corps, or Coast Guard of
8 the United States.”

9 SEC. 10. The first two paragraphs of section 10 of the
10 Act of May 29, 1930, as amended, are amended to read as
11 follows:

12 “Beginning as of July 1, 1942, there shall be deducted
13 and withheld from the basic salary, pay, or compensation of
14 each officer or employee to whom this Act applies a sum
15 equal to 5 per centum of such officer’s or employee’s basic
16 salary, pay, or compensation: *Provided*, That from and
17 after the first day of the first pay period in 1948, there shall
18 be deducted and withheld from the basic salary, pay, or
19 compensation of each officer or employee to whom this Act
20 applies a sum equal to 6 per centum of such officer’s or
21 employee’s basic salary, pay, or compensation. The amounts
22 so deducted and withheld from the basic salary, pay, or
23 compensation of each officer or employee shall, in accord-
24 ance with such procedure as may be prescribed by the
25 Comptroller General of the United States, be deposited in

1 the Treasury of the United States to the credit of the civil-
2 service retirement and disability fund created by the Act
3 of May 22, 1920, and said fund is hereby appropriated for
4 the payment of annuities, refunds, and allowances as provided
5 in this Act.

6 “Any officer or employee may at his option and under
7 such regulations as may be prescribed by the Civil Service
8 Commission deposit additional sums in multiples of \$25 but
9 not to exceed 10 per centum of his annual basic salary, pay,
10 or compensation, for service rendered since August 1, 1920,
11 which amount together with interest thereon at 3 per centum
12 per annum compounded as of December 31 of each year,
13 shall, at the date of his retirement, be available to purchase,
14 as he shall elect and in accordance with such rules and
15 regulations as may be prescribed by the Civil Service Com-
16 mission, an annuity in addition to the annuity provided
17 by this Act. The life annuity shall consist of \$7 for each
18 \$100 in case the officer or employee has not reached age
19 sixty; \$8 if he has reached age sixty but not age sixty-five;
20 \$9 if he has reached age sixty-five but not age seventy; and
21 \$10 if he has reached age seventy. In the event of death
22 or separation from the service of such officer or employee
23 before becoming eligible for retirement on annuity, the total
24 amount so deposited with interest at 3 per centum per
25 annum to date of death or separation compounded on De-

1 cember 31 of each year shall be refunded in accordance with
2 the provisions of section 12 of this Act.”

3 SEC. 11. Section 12 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 12. (a) Under such regulations as may be pre-
6 scribed by the Civil Service Commission the amounts de-
7 ducted and withheld from the basic salary, pay, or compensa-
8 tion of each officer or employee for credit to the ‘civil-service
9 retirement and disability fund’ created by the Act of May
10 22, 1920, covering service from and after August 1, 1920,
11 shall be credited to an individual account of such officer or
12 employee.

13 “(b) (1) In the case of any officer or employee to
14 whom this Act applies who shall become absolutely sep-
15 arated from the service before he shall have completed an
16 aggregate of five years of service computed as prescribed
17 in section 5 of this Act, or who shall be transferred to a
18 position not within the purview of this Act, the amount
19 credited to his individual account together with interest at
20 4 per centum per annum to December 31, 1947, and 3
21 per centum per annum thereafter compounded on December
22 31 of each year to date of separation shall be returned to
23 such officer or employee: *Provided*, That in computing
24 interest under this subsection, a fractional part of a month
25 in the total service covered by the refund shall be disre-

1 garded, and no interest shall be allowed in any case unless
2 the service covered by the refund aggregates more than one
3 year.

4 “(2) All amounts returned to an officer or employee
5 under this subsection must, upon reinstatement, retransfer,
6 or reappointment to a position within the purview of this
7 Act, be redeposited by such officer or employee before he
8 may receive full credit for the service covered by the refund.

9 “(c) (1) In case any officer or employee to whom
10 this Act applies shall die after having rendered at least five
11 years of civilian service computed as prescribed in section 5
12 of this Act and is survived by a widow, such widow shall
13 be paid an annuity beginning the first day of the month
14 following the death of the officer or employee or following
15 the widow's attainment of age sixty, whichever is the later,
16 equal to 50 per centum of the amount of an annuity com-
17 puted as provided in section 4 (a) hereof with respect to
18 such officer or employee: *Provided*, That such payments
19 shall cease upon death of the widow.

20 “(2) In case any officer or employee to whom this
21 Act applies shall die after having rendered at least five years
22 of civilian service computed as prescribed in section 5 of
23 this Act, or after having retired subsequent to the effective
24 date of this Act under section 1, 2, or 6, and is survived
25 by a widow and a child or children, such widow shall be

1 paid an immediate annuity equal to 50 per centum of the
2 amount of an annuity computed as provided in section 4
3 (a) hereof with respect to such officer or employee. Such
4 annuity shall be terminable upon the death of such widow,
5 her attainment of age sixty, or upon termination of depend-
6 ency of the last surviving child by reason of (A) his at-
7 taining the age of eighteen years, (B) his marriage, or
8 (C) his death, whichever first occurs, except that if such
9 child is incapable of self-support by reason of mental or
10 physical disability his dependency shall terminate only upon
11 his death, marriage, or recovery from such disability.

12 “(d) As used in this Act—

13 “(1) The term ‘widow’ means a surviving wife of an
14 individual, who either (A) shall have been married to such
15 individual for at least five years immediately preceding his
16 death, or (B) is the mother of issue by such marriage.

17 “(2) The term ‘child’ means an unmarried child, in-
18 cluding a dependent stepchild or an adopted child, under
19 the age of eighteen years, or an unmarried child who be-
20 cause of physical or mental disability is incapable of self-
21 support.

22 “(3) Questions of dependency and disability arising
23 under this section shall be determined by the Civil Service
24 Commission and its decisions with respect to such matters
25 shall be final and conclusive and shall not be subject to re-

1 view. The Commission may order or direct at any time
2 such medical or other examinations as it shall deem neces-
3 sary to determine the facts relative to the nature and degree
4 of disability of any annuitant or applicant for annuity under
5 this section, and may suspend or deny any such annuity
6 for failure to submit to any such examination.

7 “(e) In case an officer or employee to whom this Act
8 applies shall die (1) before having rendered five years of
9 civilian service computed as prescribed in section 5 of this
10 Act or without a survivor entitled to annuity benefits pro-
11 vided by section 12 (c) hereof the total amount of deduc-
12 tions credited to his individual account with interest thereon
13 at 4 per centum per annum to December 31, 1947, and 3 per
14 centum per annum thereafter compounded on December 31
15 of each year to date of death, or (2) leaving a survivor en-
16 titled to such annuity benefits the total amount of deductions
17 credited to his individual account without interest, shall be
18 paid upon the establishment of a valid claim therefor, in the
19 following order of precedence:

20 “First, to the beneficiary or beneficiaries designated in
21 writing by such officer or employee and recorded with the
22 Civil Service Commission;

23 “Second, if there be no such beneficiary, to the duly ap-
24 pointed executor or administrator of the estate of such officer
25 or employee;

1 “Third, if there be no such beneficiary or executor or
2 administrator, payment may be made, after the expiration of
3 thirty days from the date of the death of the officer or em-
4 ployee, to such person or persons as may appear in the judg-
5 ment of the Civil Service Commission to be legally entitled
6 thereto, and such payment shall be a bar to recovery by any
7 other person.

8 “(f) In case of death of a retired employee (1) who
9 has not elected a joint and survivorship annuity as provided
10 in section 4 (c) of this Act and who has not received in
11 annuities an amount equal to the total amount credited to
12 his individual account with interest thereon at 4 per centum
13 per annum to December 31, 1947, and 3 per centum per
14 annum thereafter compounded on December 31 of each year
15 to date of retirement, or (2) who has elected a joint and
16 survivorship annuity as provided in section 4 (b) of this
17 Act and who has not received in annuities an amount equal
18 to the total amount credited to his individual account, the
19 difference and/or any accrued annuity due shall be paid
20 upon the establishment of a valid claim therefor, in the order
21 of precedence specified in subsection (e) hereof: In case
22 any separated officer or employee who is entitled to a de-
23 ferred annuity as provided in section 7 (a) or 7 (b) hereof
24 shall die before having established a valid claim for annuity,
25 the total amount credited to his individual account with in-

1 terest thereon at 4 per centum per annum to December 31,
2 1947, and 3 per centum per annum thereafter compounded
3 on December 31 of each year to date of death, shall be paid
4 upon the establishment of a valid claim therefor in the order
5 of precedence specified in subsection (c) hereof.

6 “(g) Where any payment under this Act is to be made
7 to a minor, or to a person mentally incompetent or under
8 other legal disability adjudged by a court of competent juris-
9 diction, such payment may be made to the person who is
10 constituted guardian or other fiduciary by the law of the
11 State of residence of such claimant or is otherwise legally
12 vested with the care of the claimant or his estate: *Provided*,
13 That where no guardian or other fiduciary of the person
14 under legal disability has been appointed under the laws
15 of the State of residence of the claimant, the Civil Service
16 Commission shall determine the person who is otherwise
17 legally vested with the care of the claimant or his estate.

18 “(h) In case a former employee entitled to the return
19 of the amount credited to his individual account shall become
20 legally incompetent, the total amount due may be paid to
21 a duly appointed guardian or committee of such former em-
22 ployee. If the amount of refund due such former employee
23 does not exceed \$1,000, and if there has been no demand
24 upon the Civil Service Commission by a duly appointed
25 guardian or committee, payment may be made, after the

1 expiration of thirty days from date of separation from the
2 service, to such person or persons, in the discretion of the
3 Commission, who may have the care and custody of such
4 former employee, and such payment shall be a bar to
5 recovery by any other person.

6 “(i) Each employee or annuitant to whom this Act
7 applies shall, under regulations prescribed by the Civil
8 Service Commission, designate a beneficiary or beneficiaries
9 to whom shall be paid, upon the death of the employee or
10 annuitant any sum remaining to his credit (including any
11 accrued annuity) under the provisions of this Act.”

12 SEC. 12. The first paragraph of section 13 of the Act of
13 May 29, 1930, as amended, is amended to read as follows:

14 “Annuities granted under the terms of this Act shall
15 accrue monthly and shall be due and payable in monthly
16 installments on the first business day of the month following
17 the month or other period for which the annuity shall have
18 accrued. Payment of all annuities, refunds, and allowances
19 granted hereunder shall be made by checks drawn and issued
20 by the Treasury Department in such form and manner and
21 with such safeguards as shall be prescribed by the Civil
22 Service Commission in accordance with the laws, rules, and
23 regulations governing accounting that may be found applica-
24 ble to such payments.”

1 SEC. 13. The third paragraph of section 13 of the Act of
2 May 29, 1930, as amended, is amended to read as follows:

3 “An annuity granted for retirement under the provisions
4 of section 1 or 2 of this Act shall commence the first day
5 of the month following the date of separation from the service,
6 or on the first day of the month following the month in which
7 salary shall cease provided the employee meets the age and
8 service requirements for retirement at that time, and shall
9 continue during the life of the annuitant. An annuity
10 granted under the provisions of section 6 or 7 hereof shall be
11 subject to the limitations specified in said sections.”

12 SEC. 14. Section 14 of the Act of May 29, 1930, as
13 amended, is hereby repealed.

14 SEC. 15. Except as otherwise provided herein, this Act
15 shall become effective on the first day of the fourth month
16 following the month of approval.

80TH CONGRESS
1ST SESSION

H. R. 4127

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

JUNE 9, 1947

Referred to the Committee on Post Office and Civil
Service

AMENDING THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

JULY 11, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CORBETT, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany H. R. 4127]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

This bill proposes legislation which will liberalize the Civil Service Retirement Act of May 29, 1930, as amended. The committee devoted much study to the annuities and benefits given Federal employees under present law and concluded that liberalizations were necessary.

Briefly, the principal provisions of the bill are as follows:

(1) Retired employees now on the annuity rolls are to obtain increased annuity benefits, or in lieu thereof are permitted to obtain certain benefits for their surviving spouse.

(2) Provision is made for a more simple and more equitable method of computing annuities which raises annuities by approximately 5 percent in the higher salary groups to 25 percent in the lower brackets. An increase of 25 percent, or \$300, whichever is the lesser, is provided for present annuitants.

(3) Federal employees' contributions to the retirement fund are increased from 5 to 6 percent of such employees' basic salary.

(4) Retirement deductions are to be refunded to employees who have had less than 5 years of service, optional refunds are provided for those employees with from 5 to 10 years of service (excluding military service), but contributions to the retirement fund from employees with 10 or more years of service (excluding military service) are to be

retained in the retirement fund until such age as annuities are provided.

(5) The so-called tontine service charge against Federal employees is eliminated.

APPROPRIATIONS NECESSARY FOR CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Board of Actuaries of the civil-service retirement and disability fund submitted a memorandum to the committee on May 14, 1947, in which it was estimated that amendment to the Retirement Act in accordance with the basic principles of the proposed legislation would increase the annual Government cost of the retirement plan by 2.14 percent of the pay roll, amounting to approximately \$105,000,000 on the basis of a pay roll of almost \$5,000,000,000 as of June 30, 1946. This estimate was based on the distribution and average salaries of the membership of the fund as of June 30, 1940, the date of the last quinquennial valuation, and thus gave no effect to the substantial increases in salaries which have occurred during recent years.

Since many of the benefits under both the present law and the bill are based on flat amounts per year of service, irrespective of salary, the cost of such benefits, expressed as a percentage of salary, tends to decrease as the average salary increases. The Civil Service Commission supplied the Board current salary data as a basis for measuring the effect of the increase in salaries, and on June 6, 1947, the Board submitted an amended estimate of the additional annual cost of the proposed legislation amounting to eighty-nine hundredths percent of pay roll.

The Civil Service Commission estimated that during the fiscal year 1948, 1,400,000 employees with aggregate salaries of \$3,700,000,000 would be subject to the Retirement Act. Taking into account the decreased percentage cost of the present law because of increased average salaries, the Commission further estimates that the total annual Government cost of the retirement plan, if amended in accordance with the bill, would be approximately 7 percent of pay roll. On the basis of the estimated pay roll of \$3,700,000,000, this results in an estimated appropriation for the fiscal year 1949 of \$259,000,000, as compared with the request of \$244,000,000, for the fiscal year 1948 under the present law, or an increase of \$15,000,000.

ADMINISTRATIVE EXPENSES

The inclusion of widows' and children's benefits will require the Civil Service Commission to process 6,000 additional claims in fiscal year 1948. This additional volume of work will increase its operating costs approximately \$75,000 above appropriations already requested for 1948.

The elimination of the tontine charge will greatly simplify administration in the agencies. It has been estimated by the agencies in material furnished the Civil Service Commission that elimination of the tontine will produce savings of 100 man-years in administration.

The substitution of two simple formulas for calculating annuities in lieu of the present four complex provisions makes it possible for any Federal employee to readily determine his own annuity without the aid of an expert. This improvement alone should relieve the agencies of much detail in answering employee inquiries, both oral and written.

ANALYSIS OF THE PROVISIONS OF THE BILL

SECTION 1

Under existing law optional retirement is permitted at age 60 after 30 years of service, at age 62 after 15 years of service, and, on a reduced annuity, at age 55 after 30 years of service. This provision is continued unchanged in the bill.

The present law gives an employee involuntarily separated between July 1, 1945, and June 30, 1947, at age 55 with 25 years' service an immediate annuity reduced by 2 percent for each year the employee is under age 60 or 62, depending on his length of service. H. R. 4127 removes this 55-year limitation, thereby permitting the benefit at any age, but with a 3-percent reduction for each year the employee is under the age of 60 years, and makes the provision permanent. This provision will become effective July 1, 1947.

SECTION 2

This section retains the existing compulsory retirement age of 70 years with 15 years' service, and this section also provides an entirely new feature to the retirement law with respect to reemployed annuitants. Under the present law an employee retired under section 1 (age or optionally), may be reemployed in the Federal service only if, in the opinion of the appointing authority, he possesses special qualifications. The annuity previously awarded is terminated upon any such reemployment, and the employee again becomes subject to the Retirement Act with a new annuity right arising under the law in effect at the time of subsequent separation from the service.

It is proposed that the same privileges of reemployment be continued except that if the person is age 60 or over, the annuity will continue to be paid during his reemployment and his salary, as an employee, reduced by the amount of annuity being received. The employee would acquire no additional retirement rights during such period of reemployment.

This will result in a saving in administrative costs because of the elimination of dropping annuitants from the roll, recomputing annuities, and reentering annuitants on the roll. It will prevent inequities arising as a result of annuitants being reemployed primarily for the purpose of acquiring new or additional retirement rights.

SECTION 3

This section amends section 3A of the Retirement Act which was added by section 602 of the Legislative Reorganization Act of 1946 and which extended to Members of Congress the privilege of becoming members of the civil-service-retirement system. The existing law provides for the payment of the total amount deducted from his salary with compound interest at 4 percent if the Member of Congress becomes separated from the service before completing an aggregate of 6 years of service as a Member of Congress. This section would reduce the interest rate from 4 to 3 percent after 1947.

Stipulation is also contained therein that the above amendment is the only provision in H. R. 4127 which will in any way affect the retirement of Members of Congress. The reduction in interest rate for Members of Congress will conform to that proposed for other

members of the system. None of the liberalized features of the act, including survivor benefits, will be available to Members of Congress. This section will also permit secretaries and clerks to Members of Congress and congressional committees who heretofore have not elected to become members of the retirement system to do so, provided such election is made prior to July 1, 1948.

SECTION 4

The existing law provides that the annuity granted thereunder shall be composed of a sum equal to \$30 for each year of service not exceeding 30 (which total may not exceed three-fourths of the average annual basic salary received by the employee for the highest five consecutive years, or be less than the employee's purchasable life annuity), plus the amount purchasable with the sum (including interest) to the credit of the employee's individual account in the retirement fund. Provision is made that the annuity shall not be less than an amount equal to the average annual basic salary, not to exceed \$1,600 per annum, received by the employee during the highest five consecutive years of allowable service, multiplied by the number of years of service, not exceeding 30 years, and divided by 40. The law contains a third proviso which guarantees an annuity equal to one-seventieth of the average basic salary for the highest five consecutive years, multiplied by the number of years of service, not exceeding 35. In each individual case, the method which will produce the maximum benefit is used.

H. R. 4127 provides that the annuity formula shall be $1\frac{1}{2}$ percent of the highest average salary for five consecutive years multiplied by years of service, or 1 percent of such average salary plus \$25 multiplied by years of service. In no case may the annuity exceed 90 percent of the employee's highest 5 years' average salary. (In general, only the lower-salaried employees will be able to qualify for an annuity of 90 percent of salary; the average salaried employee would need to work approximately 50 years and the high-salaried employee would need to work approximately 60 years to qualify for a retirement benefit of 90 percent of salary.)

The present option given a retiring employee to elect an increased annuity carrying with it upon his death a forfeiture of his retirement contributions to the Government is repealed.

The present act permits an employee retiring under the age or optional provision of the Retirement Act to elect a reduced annuity carrying with it upon the employee's death a continuing benefit at the same rate or 50 percent thereof to a designated survivor annuitant. This section further provides that in the event of death of the employee within 30 days from the date of retirement, the election shall become void, and the death shall be treated as a death in the active service. H. R. 4127 provides two joint and survivor annuity plans. Section 4 (b) would allow a retiring employee (other than one receiving an annuity under sec. 7) to elect an annuity reduced by 10 percent with the provision that 50 percent of his original annuity would be paid to his widow, beginning at his death or her attainment of age 60, whichever is later. Section 4 (c) would allow an employee retiring optionally or for age to elect a reduced annuity with the provision that a survivor annuitant designated at time of retirement, receive an annuity

of 50 percent of the employee's reduced annuity after his death. This election is available only to those employees who furnish satisfactory evidence of good health. The reduction in the employee's annuity depends on the difference between his age and that of the survivor annuitant. This subsection is similar to the existing law excepting that the 30-day waiting period is eliminated, and there is substituted the requirement of physical examination.

SECTION 5

This section requires that 5 years of civilian service be rendered before any employee may have title to annuity, rather than a combination of civilian and military service as provided in the present law. It eliminates the present requirement that military service forming the basis for pension (generally only 90 days) be deducted from the time base for retirement.

SECTION 6

This will allow employees who were receiving hospital treatment an additional period to file claims for disability annuity, which provision will cover only a few meritorious cases. It will also eliminate the necessity for further medical examinations for disability annuitants after they have reached age 60.

SECTION 7

The present law freezes retirement deductions from and after January 24, 1942, in the case of employees who have served 5 years or more, and gives them in return, a right to annuity beginning at age 62 or 55, depending upon whether the separation was voluntary or involuntary.

H. R. 4127 provides a right to annuity beginning at age 62 after completion of at least 5 years of civilian service, and regardless of the reason for separation. Any employee who at the date of separation has served an aggregate of at least 5 years but less than 10 years of civilian service may elect to receive an annuity beginning at age 62 or draw a refund of the amount to his account with interest thereon. If the employee elects to receive the refund, he will then forfeit any right to future annuity unless he is again reemployed in a position within the purview of the act. Any employee who at the time of separation has completed an aggregate of 10 or more years of civilian service must leave his contributions to the fund on deposit, and will receive an annuity upon attaining age 62.

SECTION 8

This section provides certain benefits for retired employees already on the annuity rolls. The annuity of each such person would be increased, effective on the 1st day of the fourth month following the date of enactment by 25 percent or \$300, whichever is less, unless the annuitant elects in lieu of such increase to retain his present annuity and to have an amount equal to one-half the amount of his annuity paid to his or her spouse upon the annuitant's death, but the annuity to the spouse may not exceed \$600 per annum. Such amount would be payable during the remainder of the life of the spouse.

This section also provides that a former officer or employee who presently holds a vested title to a future annuity shall retain this right, but he is offered the privilege of forfeiting his annuity and to elect in lieu thereof to receive a return of contributions.

SECTION 9

Section 9 of the present law permits an employee to make deposit in the retirement fund covering periods of service when not subject to the act, and for which he made no contribution. This section continues this privilege but provides that no interest on deposits shall be required, and that no deposit shall be required for military service.

SECTION 10

This section provides for an increase from 5 to 6 percent in employee contributions, beginning with the first pay period in 1948. As regards voluntary contributions made by employees to increase their annuities, the present actuarial factors now used in determining the additional annuity are replaced by simpler specified figures.

SECTION 11

This section amends section 12 of the Retirement Act so as to eliminate the so-called \$1-a-month tontine charge. Provisions relating to the tontine charge appearing in other sections of the act are likewise eliminated.

This section also provides for return of deductions with interest upon separation with less than 5 years' service. No interest is payable if the service covered by the refund aggregates 1 year or less.

Under existing law, deductions are returnable with interest upon separation with less than 5 years' service, but tontine is withheld in voluntary separation cases, and no interest is allowed for service of 1 year or less.

Subsections (e) and (d) of section 12 as amended by this bill provide survivorship benefits, in the case of employees dying in the service after having served for five or more years. The widow of any such employee would be entitled upon attaining age 60 to receive an annuity terminable upon death equal to one-half the amount of an annuity computed on the basis of the salary and years of service of the employee. However, the widow is further entitled to a similar annuity if she has a child under the age of 18 years. Her annuity would then be terminated but would be resumed at age 60 as in the case of a childless widow.

Section 11 of the bill also provides for a return of deductions with interest, as under existing law, to a beneficiary in case of death of an employee who leaves no survivor entitled to annuity and a return of deductions without interest if he leaves a qualified survivor.

Where an annuitant who has not elected a joint and survivorship annuity dies without having received in annuities an amount equal to the total amount credited to his individual account with interest, the difference and any accrued annuity will be returned to his beneficiary. Under existing law the amount returnable in such case is the difference between the amount credited to the employee's account

with interest and the amount chargeable to the employee as his portion of the annuity purchased with his contributions.

In all cases the interest rate on amounts credited to employee accounts will be reduced from 4 to 3 percent with respect to periods after December 31, 1947, thus affecting amounts returnable in the case of deceased employees and annuitants.

SECTION 12

This proposed change is for administrative expediency only. It provides that annuities shall accrue monthly, thereby eliminating the necessity of any settlement covering a small sum for a fractional part of a month.

SECTION 13

This section will allow the Civil Service Commission to make an age and optional annuity retroactively payable to the first of the month following termination of the employee's salary if he was eligible for annuity at that point. At present, the annuity cannot begin until actual separation occurs, and some employees who have been in leave-without-pay status have a period when neither salary nor annuity is payable. This will affect only a few meritorious cases.

SECTION 14

This will repeal section 14 of the present act, which section no longer serves any purpose.

SECTION 15

This section provides that the act shall be effective on the first day of the fourth month following approval, except as otherwise provided.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

ELIGIBILITY FOR SUPERANNUATION RETIREMENT

[SEC. 1. (a) All officers and employees to whom this Act applies who shall have attained, or shall hereafter attain, the age of seventy years and have rendered at least fifteen years of service computed as prescribed in section 5 of this Act shall be eligible for retirement on an annuity as provided in section 4 hereof.]

[(b)] *Sec. 1.(a)* Any officer or employee to whom this Act applies who shall have [attained,] *attained* or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have [attained,] *attained* or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such [service may, upon his own option, retire and shall] *service, shall, upon separation from the service,* be paid an annuity computed as provided in section 4 of this Act.

(b) *Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by*

one-half of 1 per centum for each full month such officer or employee is under the age of sixty years.

[(e) The head of a department or independent Government agency concerned may request the retirement of any such officer or employee described in subsection (b) of this section who, by reason of a disqualification is unable to perform satisfactorily and efficiently the duties of his position or some other position of the same grade or class as that occupied by the employee and to which he could be assigned. No such request shall be submitted to the Civil Service Commission unless and until the said officer or employee has been notified in writing of the proposed retirement. Each such officer or employee shall, upon request by him, have opportunity for a hearing before the Civil Service Commission, at which hearing the officer or employee may appear in person or he may be represented by a person of his choice. No such officer or employee shall be so retired unless the Civil Service Commission after examination finds that he is so disqualified. The determination of the Civil Service Commission as to whether the officer or employee shall be retired under this subsection shall be final and conclusive. Any person so retired shall be paid an annuity computed as provided in section 4 hereof. Nothing in this subsection shall be deemed to authorize any person to request the retirement of any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, or any employee of the office of the Architect of the Capitol.]

(c) *Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, (1) upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, or (2) upon voluntary separation from the service if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been so involuntarily separated from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation, shall be paid an immediate life annuity, computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.*

[(d) Any officer or employee who has completed thirty years of service computed in accordance with the provisions of section 5 hereof and who has reached or may hereafter reach the age of fifty-five years may voluntarily retire and shall be paid an immediate life annuity beginning on the first day of the month following the date of separation from the service having a value equal to the present worth of a deferred annuity at the age of sixty years computed as provided in section 4 of this Act.

[(e) Any officer or employee to whom this Act applies who, after having attained the age of fifty-five and after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act,

[(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between July 1, 1945, and June 30, 1947, both dates inclusive; or

[(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation.

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this Act reduced by one-sixth of 1 per centum for each full month any such officer or employer is (A) under the age of sixty years if he has rendered at least thirty years of service computed as prescribed in section 5 of this Act, or (B) under the age of sixty-two years if he has rendered less than thirty years of service computed as prescribed in section 5 of this Act.

[If none of the options provided in this section is exercised prior to the date upon which the officer or employee would otherwise be eligible for retirement from the service, the provisions of this Act with respect to automatic separation from the service shall apply.]

AUTOMATIC SEPARATION

[SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), all officers or employees to whom this Act applies shall, on the last day of the month in which they attain retirement age as defined in the preceding section; and having rendered at least fifteen years of service, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and it shall be the duty of the head of each department, branch, or independent office of the Government concerned to notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof.]

SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed fifteen years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

[(b) No person separated from the service who is receiving an annuity under the provisions of section 1 of this Act shall be eligible again to appointment to any appointive office, position, or employment under the United States or of the Government of the District of Columbia unless the appointing authority determines that he is possessed of special qualifications, in which event payment of his annuity shall be terminated during the period of his appointment: *Provided*, however, That nothing in this Act shall be so construed as to affect the rights of the annuitant's beneficiary if the annuitant has been receiving or had elected and was otherwise entitled to a reduced annuity under section 4 (d) and dies while so re-employed or continued in the service or within thirty days after the termination of his reemployment or continuation, but all such rights shall continue and may be enforced in the same manner as if the annuitant had not been reemployed or continued: *And provided further*, That during such reemployment or continuation there shall be deducted and withheld from the salary, pay, or compensation of such employee at each pay period a proportionate amount of the annual difference between the life annuity to which the employee would have been entitled and the reduced annuity elected by the employee. The amounts so deducted and withheld shall be deposited in the Treasury of the United States to the credit of civil service retirement and disability fund. Any such person whose annuity is terminated shall, upon the termination of his appointment, have his subsequent annuity rights determined under the provisions of law in effect at the time of such termination.]

(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service.

EMPLOYEES TO WHOM THE ACT SHALL APPLY

SEC. 3. (a) This Act shall apply to all officers and employees in or under the executive, judicial, and legislative branches of the United States Government, and to all officers and employees of the municipal government of the District of Columbia, except elective officers in the executive branch of the Government: *Provided*, That this Act shall not apply to any such officer or employee of the United States or of the municipal government of the District of Columbia subject

to another retirement system for such officers and employees of such governments: *Provided further*, That this Act shall not apply to any officer or employee in the legislative branch of the Government within the classes of officers and employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, until he gives notice in writing to the disbursing officer by whom his salary is paid, of his desire to come within the purview of this Act; and any officer or employee within such classes may, within sixty days after January 24, 1942, withdraw from the purview of this Act by giving similar notice of such desire. In the case of any officer or employee in the service of the legislative branch of the Government on January 24, 1942, such notice of desire to come within the purview of this Act must be given within the calendar year 1942. In the case of any officer or employee of the legislative branch of the Government who enters the service after January 24, 1942, such notice of desire to come within the purview of this Act must be given within six months after the date of entrance to the service.

Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.

* * * * *

EMPLOYEES TO WHOM THE ACT SHALL APPLY

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SEC. 3A. * * *

(6) (a) In the case of a Member of Congress who becomes separated from the service before he completes an aggregate of six years of service as a Member of Congress, and who is not retired for disability, the total amount deducted from his basic salary, pay, or compensation or deposited by him as a Member of Congress [.] shall be returned to such Member of Congress together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter compounded [as of] on December 31 of each year, [shall be returned to such Member of Congress] to date of separation. No such Member of Congress shall thereafter become eligible to receive an annuity as provided in this section unless the amounts so returned are redeposited with interest at 4 per centum compounded on December 31 of each year, but interest shall not be required covering any period of separation from the service.

(b) In case a Member of Congress shall die prior to retirement the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter, compounded on December 31 of each year to date of death shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

(c) In case a former Member of Congress receiving an annuity under this section shall die without having received in purchasable annuities an amount equal to the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 per centum per annum to December 31, 1947, and at 3 per centum per annum thereafter, compounded on December 31 of each year to date of retirement, the difference and/or any accrued annuity due shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

METHOD OF COMPUTING ANNUITIES

[SEC. 4. (a) The annuity of an employee retired under the provisions of the preceding sections of this Act shall be a life annuity, terminable upon the death of the annuitant and shall be composed of (1) a sum equal to \$30 for each year of service not exceeding thirty: *Provided*, That such portion of the annuity shall not exceed three-fourths of the annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee; nor shall such portion be less than an amount equal to the employee's purchasable annuity as provided in (2) hereof; and (2) the amount of annuity purchasable with the sum to the credit of the employee's individual account as provided in section 12 (a) hereof, together with interest at 4 per centum per annum compounded on December 31 of each year, according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries.

[(b) The total annuity paid shall in no case be less than an amount equal to the average annual basic salary, pay, or compensation, not to exceed \$1,600 per annum, received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty years, and divided by forty; nor shall such total annuity paid be less than an amount equal to the average annual basic salary, pay, or compensation received by the employee during any five consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding thirty-five years, and divided by seventy.]

SEC. 4. (a) *The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) 1½ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: Provided, That if deposit or redeposit under section 7, 9, or 12 (b) hereof has not been made, the annuity for the period or periods of service covered by the deposit or redeposit shall be in an amount equal to 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of such service: Provided further, That in no case shall the annuity exceed an amount equal to 90 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.*

[(c) Any employee at the time of his retirement may elect to receive, in lieu of the life annuity herein described, an increased annuity of equivalent value which shall carry with it a proviso that no unexpended part of the principal upon the annuitant's death shall be returned.]

(b) *Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity equal to 90 per centum of such life annuity and an annuity after his death payable to his surviving widow equal to 50 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age sixty, whichever is the later, and shall terminate upon her death.*

[(d) Any employee retiring under the provisions of section 1 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to his beneficiary, duly designated in writing and filed with the Civil Service Commission at the time of his retirement during the life of such beneficiary (a) equal to or (b) 50 per centum of such reduced annuity and upon the death of such surviving beneficiary all payments shall cease and no further annuity shall be due or payable. The amounts of the two annuities shall be such that their combined actuarial value on the date of retirement as determined by the Civil Service Commission shall be the same as the actuarial value of the single life increased annuity with forfeiture provided by this section: *Provided, That no election in lieu of the life annuity provided herein shall become effective in case an employee dies within thirty days after the effective date of retirement, and in the event of such death within this period, such death shall be considered as a death in active service.*]

(c) *Any officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or*

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more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission.

[(c)] (d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the [annuity] *monthly annuity installment* shall be fixed at the nearest [multiple of twelve] *dollar*.

[(f)] (e) The term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.

COMPUTATION OF ACCREDITED SERVICE

SEC. 5. Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any [benefit] *annuity* provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified *officer or employee* in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an *officer or employee*, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included; in the case of an employee who is eligible for and receives a pension on account of non-service-connected disability under laws administered by the Veterans' Administration the minimum period of service necessary to entitle him to pension shall not be included; but in the case of an employee who is eligible for and receives pension or compensation under laws administered by the Veterans' Administration on account of service-connected disability, all honorable military or naval service shall be included;], *except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: Provided, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. [and nothing] Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.*

* * * * *

DISABILITY RETIREMENT—MEDICAL EXAMINATIONS REQUIRED

SEC. 6. Any *officer or employee* to whom this Act applies who shall have served for a total period of not less than five years *computed as provided in section 5 of this Act*, and who, before [becoming eligible for retirement under the conditions defined in the preceding sections] *meeting the age and service requirements for retirement under section 1 (a) hereof*, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the *officer or employee*, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the *officer or employee*, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. [No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter: Provided, That any employee who heretofore has failed to file an application for retirement within six months after separation from the service, may file such application within three months after the effective date of this Act.] No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for*

retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in [cases] case of [employees] an officer or employee who at the date of separation from service or within six months thereafter[, are adjudged mentally incompetent] is receiving hospital treatment, but the application in such [cases] case must be filed with the Civil Service Commission [within one year from the date of restoration of any such person to competency or the appointment of a fiduciary whichever is the earlier. In the case of any such person heretofore separated from service application may be filed within one year after the effective date of this Act.] not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching [retirement] age sixty, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching [retirement] age sixty and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall [after due diligence on his part] fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been [involuntarily] separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to [an] a deferred annuity in accordance with the provisions of such section [computed at the attained age at the date of discontinuance of the disability annuity].

* * * * *

SEPARATION FROM THE SERVICE

[SEC. 7. (a) Should any officer or employee to whom this Act applies, after having served for a total period of not less than five years and before becoming eligible for retirement become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, computed as provided in clauses (1) and (2) of section 4 (a) of this Act: *Provided*, That any such person involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency may elect to receive an immediate annuity beginning at the age of fifty-five or at the date of separation from the service if subsequent to that age having a value equal to the present worth of a deferred annuity beginning at the age of sixty-two years, or at age of separation if subsequent to age sixty-two, computed as provided in section 4 of this Act: *Provided further*, That nothing in this Act shall be so construed as to prohibit the refund of deductions, deposits, or redeposits made prior to the effective date of this Act with interest thereon, or of any voluntary contributions made under the provisions of section 10 of this Act, with interest: *And provided further*, That all moneys, except voluntary contributions, so refunded an officer or employee must be redeposited with interest before such officer or employee may derive any annuity benefits based on the service covered by the refund.

[(b) Should an annuitant under the provisions of this section be reemployed in a position included in the provisions of this Act, the annuity and any right to an immediate or deferred annuity as provided herein shall cease as of the date of such employment. If such annuitant is reemployed in any position in the service of the United States or the District of Columbia, not within the provisions of this Act, annuity payments shall be discontinued during the period of such employment, and resumed in the same amount upon termination of such employment.]

[(c) Interest shall be allowed on the amount credited to such separated officer's or employee's individual account in the retirement fund at 3 per centum compounded on December 31 of each year until the beginning date of annuity.]

Sec. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of service, computed as prescribed in section 5 of this Act, but less than ten years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

(b) Should any officer or employee to whom this Act applies, after having rendered at least ten years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years.

(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.

BENEFITS EXTENDED TO THOSE ALREADY RETIRED

[SEC. 8. In the case of those who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, or said Act as amended, or as extended by Executive orders, the annuity shall be computed, adjusted, and paid under the provisions of this Act, but this Act shall not be so construed as to reduce the annuity of any person retired before its effective date, nor shall any increase in annuity commence before such effective date.]

[In the case of those who before the enactment of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or the Act of May 29, 1930, as amended, the annuity shall be recomputed and paid in accordance with the provisions of section 4 of this Act.]

[Nothing herein contained shall be construed so as to reduce the annuity of any annuitant, nor shall any increase in annuity accrue under this Act to any annuitant for any period prior to the effective date of this Act.]

Sec. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the fourth month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: Provided, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable.

In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, such annuity shall be computed in accordance with section 4 of this Act but any reduction applicable thereto shall be determined as if this Act had not been enacted: Provided, That any such officer or employee may elect to forfeit his right to such annuity and elect in lieu thereof to receive the benefits provided by section 7 of this Act.

CREDIT FOR PAST SERVICE

[SEC. 9. Beginning with the effective date of this Act, all employees who may be brought then or thereafter within the purview of the Act by legislative enactment, or by appointment, or through classification, or by transfer, or reinstatement, or Executive order, or otherwise, shall be required to deposit with the Treasurer of the United States to the credit of the "civil-service retirement and disability fund" a sum equal to $2\frac{1}{2}$ per centum of the employee's basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926, and also $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942, and also 5 per centum of such basic pay, salary, or compensation for services rendered on and after July 1, 1942, together with interest computed at the rate of 4 per centum per annum compounded on December 31 of each fiscal year, but such interest shall not be included for any period during which the employee was separated from the service. All employees who may hereafter be brought within the purview of this Act may elect to make such deposits in installments during the continuance of their service in such amounts and under such conditions as may be determined in each instance by the *Civil Service Commission*. The amount so deposited, less \$1 for each month, or major fraction thereof, of service after the effective date of this Act, shall be credited to the employee's individual account, as provided in section 12 (a) hereof: *Provided*, That failure to make such deposit shall not deprive the employee of credit for any past service rendered prior to August 1, 1920, to which he or she would otherwise be entitled: *And provided further*, That, notwithstanding the failure of an employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by the amount such deposit would purchase if made, unless the employee shall elect to eliminate such service entirely from credit under this Act.]

SEC. 9. Each officer or employee within the purview of this Act may deposit to the credit of the "civil-service retirement and disability fund" a sum equal to $2\frac{1}{2}$ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period in 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the *Civil Service Commission*. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Upon making such deposit, the officer or employee shall be entitled to full credit for the period or periods of service involved: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States.

DEDUCTIONS AND DONATIONS

SEC. 10. Beginning as of July 1, [1926] 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to [$3\frac{1}{2}$] 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided*, That [after June 30, 1942] from and after the first day of the first pay period in 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of [any] each officer or employee to whom this Act applies a sum equal to [5] 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the "civil-service retirement and disability fund" created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum [per annum] of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations

as may be prescribed by the Civil Service Commission [with the approval of the Board of Actuaries], *an annuity* in addition to the annuity provided by this Act [an annuity according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries based on an interest rate of 4 per centum]. *The life annuity shall consist of \$7 for each \$100 in case the officer or employee has not reached age sixty; \$8 if he has reached age sixty but not age sixty-five; \$9 if he has reached age sixty-five but not age seventy; and \$10 if he has reached age seventy.* In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year shall be refunded in accordance with the provisions of section 12 of this Act.

* * * * *

RETURNS OF AMOUNTS DEDUCTED FROM SALARIES

SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service [during the period] from and after August 1, 1920, [to the effective date of this Act,] shall be credited to an individual account of such officer or employee, to be maintained by the department or office by which he is employed and the amounts deducted and withheld from the basic salary, pay, or compensation of each employee for credit to the "civil-service retirement and disability fund" covering service from and after the effective date of this Act, less the sum of \$1 per month or major fraction thereof, shall similarly be credited to such individual account].

[(b) In the case of any officer or employee to whom this Act applies who shall be transferred to a position not within the purview of this Act, or who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed in accordance with section 5 of this Act, the amount of deductions from his basic salary, pay, or compensation credited to his individual account, together with interest at 4 per centum compounded on December 31 of each year shall be returned to such officer or employee: *Provided*, That when an officer or employee becomes involuntarily separated from the service, not by removal for cause on charges of misconduct or delinquency before completing five years of creditable service the total amount of deductions from his basic salary, pay, or compensation with interest at 4 per centum compounded on December 31 of each year shall be returned to such officer or employee: *Provided further*, That no such interest shall be allowed on any separation unless the service covered thereby aggregates more than one year: *Provided further*, That all deductions from basic salary, pay, or compensation so returned to an officer or employee must, upon reinstatement, retransfer, or reappointment to a position coming within the purview of this Act be redeposited with interest at 4 per centum compounded on December 31 of each year before such officer or employee may derive any benefits under this Act, except as provided in this section, but interest shall not be required covering any period of separation from the service. In computing interest under this subsection, a fractional part of a month in the total service of an officer or employee shall be disregarded.]

(b) (1) *In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: Provided, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.*

(2) *All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.*

[(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 4 of this Act an amount equal to the total amount to his credit at time of retirement, the

amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

【First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

【Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

【Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

【In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this Act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity.

【(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

【First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

【Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

【Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.】

(c) (1) *In case any officer or employee to whom this Act applies shall die after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age sixty, whichever is the later, equal to 50 per centum of the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: Provided, That such payments shall cease upon death of the widow.*

(2) *In case any officer or employee to whom this Act applies shall die after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to the effective date of this Act under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity equal to 50 per centum of the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. Such annuity shall be terminable upon the death of such widow, her attainment of age sixty, or upon termination of dependency of the last surviving child by reason of (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his dependency shall terminate only upon his death, marriage, or recovery from such disability.*

(d) *As used in this Act—*

(1) *The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least five years immediately preceding his death, or (B) is the mother of issue by such marriage.*

(2) *The term "child" means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or an unmarried child who because of physical or mental disability is incapable of self-support.*

(3) *Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.*

(e) *In case an officer or employee to whom this Act applies shall die (1) before having rendered five years of civilian service computed as prescribed in section 5 of this Act or without a survivor entitled to annuity benefits provided by section 12 (c) hereof the total amount of deductions credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of death, or (2) leaving a survivor entitled to such annuity benefits the total amount of deductions credited to his*

individual account without interest, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

(f) In case of death of a retired employee (1) who has not elected a joint and survivorship annuity as provided in section 4 (c) of this Act and who has not received in annuities an amount equal to the total amount credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of retirement, or (2) who has elected a joint and survivorship annuity as provided in section 4 (b) of this Act and who has not received in annuities an amount equal to the total amount credited to his individual account, the difference and/or any accrued annuity due shall be paid upon the establishment of a valid claim therefor, in the order of precedence specified in subsection (e) hereof: In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 (a) or 7 (b) hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of death, shall be paid upon the establishment of a valid claim therefor in the order of precedence specified in subsection (e) hereof.

(g) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: Provided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

[(e)] (h) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

[(f)] (i) Each employee or annuitant to whom this Act applies [may] shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this Act.

PAYMENT OF ANNUITIES AND FORM OF APPLICATION

SEC. 13. Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued[, and payment]. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the [disbursing clerk for the payment of pensions] Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments.

* * * * *

[Annuities] An annuity granted [under this Act] for retirement under the provisions of section 1 or 2 of this Act shall commence [from] the first day of the month following the date of separation from the service, or on the first day of the

month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. **[Annuities]** An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections.

* * * * *

[SEC. 14. Employees who have gone from employment within the purview of this Act to other employment under the Government and have returned to a position under the purview of this Act shall have the time of such other service included in the computation for his retirement: *Provided*, That such employee shall contribute to the retirement fund upon reentering such employment within the purview of this Act an amount, including interest, equivalent to that which would have been paid if such employee had continued in such employment.**]**



80TH CONGRESS
1ST SESSION

H. R. 4127

[Report No. 888]

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 1947

Mr. STEVENSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JULY 11, 1947

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:
5 “SEC. 1. (a) Any officer or employee to whom this
6 Act applies who shall have attained or shall hereafter attain
7 the age of sixty years and have rendered at least thirty years
8 of service computed as prescribed in section 5 of this Act,
9 or who shall have attained or shall hereafter attain the age
10 of sixty-two years and have rendered at least fifteen years
11 of such service, shall, upon separation from the service, be

1 paid an annuity computed as provided in section 4 of this
2 Act.

3 “(b) Any officer or employee to whom this Act applies
4 who shall have attained or shall hereafter attain the age of
5 fifty-five years and have rendered at least thirty years of
6 service computed as prescribed in section 5 of this Act shall,
7 upon separation from the service, be paid an annuity com-
8 puted as provided in section 4 of this Act, reduced by one-half
9 of 1 per centum for each full month such officer or employee
10 is under the age of sixty years.

11 “(c) Any officer or employee to whom this Act applies,
12 after having rendered at least twenty-five years of service
13 computed as prescribed in section 5 of this Act, (1) upon
14 involuntary separation from the service not by removal for
15 cause on charges of misconduct or delinquency, or (2) upon
16 voluntary separation from the service if such officer or em-
17 ployee had accepted a position with a lower rate of basic
18 salary, pay, or compensation after having been so involun-
19 tarily separated from a position with a higher rate of basic
20 salary, pay, or compensation, and was receiving less than
21 such higher rate at the time of his voluntary separation, shall
22 be paid an immediate life annuity computed as provided in
23 section 4 of this Act reduced by one-fourth of 1 per centum
24 for each full month such officer or employee is under the age

1 of sixty years. This subsection shall become effective July 1,
2 1947.”

3 SEC. 2. Section 2 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 2. (a) Except as provided in section 204 of
6 the Act of June 30, 1932 (47 Stat. 404), and section 3
7 of the Act of July 13, 1937 (50 Stat. 512), any officer
8 or employee to whom this Act applies who shall have com-
9 pleted fifteen years of service computed as provided in section
10 5 of this Act shall, on the last day of the month in which
11 he attains the age of seventy years, or completes fifteen years
12 of service if then beyond such age, be automatically separated
13 from the service, and all salary, pay, or compensation shall
14 cease from that date, and the head of each department,
15 branch, or independent office of the Government concerned
16 shall notify each such employee under his direction of the
17 date of his separation from the service at least sixty days
18 in advance thereof: *Provided*, That should the head of the
19 department, branch, or independent office fail, through error,
20 to give timely notification, the employee’s separation from
21 the service shall not be effected without his consent until
22 the expiration of said sixty-day period. Upon such separa-
23 tion, the officer or employee shall be eligible for retirement
24 on annuity as provided in section 4 hereof.

1 “(b) No person who is receiving an annuity under the
2 provisions of this Act and who has reached the age of sixty
3 years shall be eligible again to appointment to any appointive
4 office, position, or employment under the Government of
5 the United States or of the District of Columbia, unless
6 the appointing authority determines that he is possessed of
7 special qualifications: *Provided*, That no deductions for the
8 retirement fund shall be withheld from the salary, pay, or
9 compensation of such person, but there shall be deducted
10 from his salary, pay, or compensation otherwise payable a
11 sum equal to the retirement annuity allocable to the period
12 of actual employment: *Provided further*, That the annuity
13 in such case shall not be redetermined upon such person’s
14 subsequent separation from the service.”

15 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
16 May 29, 1930, as amended, is amended to read as follows:

17 “(6) (a) In the case of a Member of Congress who
18 becomes separated from the service before he completes an
19 aggregate of six years of service as a Member of Congress,
20 and who is not retired for disability, the total amount de-
21 ducted from his basic salary, pay, or compensation or de-
22 posited by him as a Member of Congress shall be returned
23 to such Member of Congress together with interest at 4 per
24 centum per annum to December 31, 1947, and at 3 per
25 centum per annum thereafter compounded on December 31

1 of each year, to date of separation. No such Member of
2 Congress shall thereafter become eligible to receive an
3 annuity as provided in this section unless the amounts so
4 returned are redeposited with interest at 4 per centum com-
5 pounded on December 31 of each year, but interest shall
6 not be required covering any period of separation from the
7 service.

8 “(b) In case a Member of Congress shall die prior to
9 retirement the total sums deducted from his basic salary,
10 pay, or compensation or deposited by him, together with
11 interest at 4 per centum per annum to December 31, 1947,
12 and at 3 per centum per annum thereafter, compounded on
13 December 31 of each year to date of death shall be paid,
14 upon the establishment of a valid claim therefor, in the
15 order of precedence prescribed in section 12.

16 “(c) In case a former Member of Congress receiving
17 an annuity under this section shall die without having re-
18 ceived in purchasable annuities an amount equal to the total
19 sums deducted from his basic salary, pay, or compensation
20 or deposited by him, together with interest at 4 per centum
21 per annum to December 31, 1947, and at 3 per centum per
22 annum thereafter, compounded on December 31 of each
23 year to date of retirement, the difference and/or any accrued
24 annuity due shall be paid, upon the establishment of a valid

1 claim therefor, in the order of precedence prescribed in
2 section 12.”

3 (b) Except as provided in this section the amendments
4 made by this Act shall not apply to any person subject to
5 the provisions of section 3A of the Act of May 29, 1930, as
6 amended, and the rights and obligations of such person under
7 such Act shall continue as though this Act had not been
8 enacted.

9 (c) Section 3 (a) of the Act of May 29, 1930, as
10 amended, is amended by adding at the end thereof the
11 following:

12 “Notwithstanding any other provision of this Act, any
13 officer or employee in the legislative branch of the Govern-
14 ment within the classes of officers or employees which were
15 made eligible for the benefits of this Act by the Act of July
16 13, 1937, serving in such position on the effective date of
17 this Act, may give notice of his desire to come within the
18 purview of this Act at any time prior to July 1, 1948.”

19 SEC. 4. Section 4 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 4. (a) The annuity of an officer or employee
22 retired under this Act shall be a life annuity, terminable
23 upon the death of the annuitant and shall be an amount
24 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
25 annual basic salary, pay, or compensation received by the

1 officer or employee during any five consecutive years of
2 allowable service at the option of the officer or employee
3 multiplied by the years of service, or (2) 1 per centum of
4 the average annual basic salary, pay, or compensation re-
5 ceived by the officer or employee during any five consecutive
6 years of allowable service at the option of the officer or
7 employee multiplied by the years of service, plus a sum
8 equal to \$25 for each year of such service: *Provided*, That
9 if deposit or redeposit under section 7, 9, or 12 (b) hereof
10 has not been made, the annuity for the period or periods of
11 service covered by the deposit or redeposit shall be in an
12 amount equal to 1 per centum of the average annual basic
13 salary, pay, or compensation received by the officer or
14 employee during any five consecutive years of allowable
15 service at the option of the officer or employee multiplied by
16 the years of such service: *Provided further*, That in no case
17 shall the annuity exceed an amount equal to 90 per centum
18 of the highest average annual basic salary, pay, or compen-
19 sation received by the officer or employee during five con-
20 secutive years of allowable service.

21 “(b) Any officer or employee, if a husband, retiring
22 under the provisions of section 1, 2, or 6 of this Act may
23 at the time of his retirement elect to receive in lieu of the
24 life annuity described herein a reduced annuity equal to
25 90 per centum of such life annuity and an annuity after his

1 death payable to his surviving widow equal to 50 per centum
2 of such life annuity. The annuity of such widow shall
3 begin on the first day of the month in which the death of
4 the husband occurs or the first day of the month following
5 the widow's attainment of age sixty, whichever is the later,
6 and shall terminate upon her death.

7 “(c) Any officer or employee in good health retiring
8 under the provisions of section 1 or 2 of this Act may at
9 the time of his retirement elect to receive in lieu of the life
10 annuity described herein a reduced annuity payable to him
11 during his life, and an annuity after his death payable to a
12 survivor annuitant, duly designated in writing and filed with
13 the Civil Service Commission at the time of his retirement,
14 during the life of such survivor annuitant equal to 50 per
15 centum of such reduced annuity and upon the death of such
16 survivor annuitant all payments shall cease and no further
17 annuity shall be due and payable. The annuity hereunder
18 payable to the officer or employee shall be 90 per centum
19 of the life annuity otherwise payable if the survivor annuitant
20 is the same age or older than the annuitant, or is less than
21 five years younger than the annuitant; 85 per centum if
22 the survivor annuitant is five but less than ten years younger;
23 80 per centum if the survivor annuitant is ten but less than
24 fifteen years younger; 75 per centum if the survivor annui-
25 tant is fifteen but less than twenty years younger; 70 per

1 centum if the survivor annuitant is twenty but less than
2 twenty-five years younger; and 60 per centum if the survivor
3 annuitant is twenty-five or more years younger. No such
4 election shall be valid until the retiring officer or employee
5 shall have satisfactorily passed a physical examination as
6 prescribed by the Civil Service Commission.

7 “(d) For the purpose of this Act all periods of service
8 shall be computed in accordance with section 5 hereof, and
9 the monthly annuity installment shall be fixed at the nearest
10 dollar.

11 “(e) The term ‘basic salary, pay, or compensation’,
12 wherever used in this Act, shall be so construed as to exclude
13 from the operation of the Act all bonuses, allowances, over-
14 time pay, or salary, pay, or compensation given in addition
15 to the base pay of the position as fixed by law or regulation.”

16 SEC. 5. The first paragraph of section 5 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “Subject to the provisions of section 9 hereof, the aggre-
19 gate period of service which forms the basis for calculating the
20 amount of any annuity provided in this Act shall be computed
21 from the date of original employment, whether as a classified
22 or an unclassified officer or employee in the civil service of
23 the United States, or in the service of the District of Colum-
24 bia, including periods of service at different times and in

1 one or more departments, branches, or independent offices,
2 or the legislative branch of the Government, and also periods
3 of service performed overseas under authority of the United
4 States, and periods of honorable service in the Army, Navy,
5 Marine Corps, or Coast Guard of the United States; in the
6 case of an officer or employee, however, who is eligible for
7 and receives retired pay on account of military or naval
8 service, the period of service upon which such retired pay
9 is based shall not be included, except that in the case of an
10 officer or employee who is eligible for and receives retired
11 pay on account of a service-connected disability incurred in
12 combat with an enemy of the United States or resulting from
13 an explosion of an instrument of war, the period of the mili-
14 tary service shall be included: *Provided*, That an officer or
15 employee must have served for a total period of not less than
16 five years exclusive of such military or naval service before
17 he shall be eligible for annuity under this Act. Nothing in
18 this Act shall be construed as to affect in any manner an
19 officer's or employee's right to retired pay, pension, or com-
20 pensation in addition to the annuity herein provided."

21 SEC. 6. The first three paragraphs of section 6 of the
22 Act of May 29, 1930, as amended, are amended to read as
23 follows:

24 "Any officer or employee to whom this Act applies who
25 shall have served for a total period of not less than five

1 years computed as provided in section 5 of this Act, and
2 who, before meeting the age and service requirements for
3 retirement under section 1 (a) hereof, becomes totally dis-
4 abled for useful and efficient service in the grade or class
5 of position occupied by the officer or employee, by reason
6 of disease or injury not due to vicious habits, intemper-
7 ance, or willful misconduct on the part of the officer or
8 employee, shall upon his own application or upon the re-
9 quest or order of the head of the department, branch, or
10 independent office concerned, be retired on an annuity com-
11 puted in accordance with the provisions of section 4 hereof:
12 *Provided*, That proof of freedom from vicious habits, intem-
13 perance, or willful misconduct for a period of more than five
14 years next prior to becoming so disabled for useful and effi-
15 cient service, shall not be required in any case. No officer
16 or employee shall be retired under the provisions of this sec-
17 tion unless examined by a medical officer of the United
18 States, or a duly qualified physician or surgeon, or board
19 of physicians or surgeons, designated by the Civil Service
20 Commission for that purpose, and found to be disabled in
21 the degree and in the manner specified herein. No claim
22 shall be allowed under the provisions of this section unless
23 the application for retirement shall have been executed prior
24 to the applicant's separation from the service or within six
25 months thereafter. The time limitation for execution of

1 claims for retirement under the terms of this section may be
2 waived by the Civil Service Commission in case of an officer
3 or employee who at the date of separation from service or
4 within six months thereafter is receiving hospital treatment,
5 but the application in such case must be filed with the Civil
6 Service Commission not later than six months after the ter-
7 mination of such hospitalization; in the case of any such per-
8 son heretofore separated from service application may be
9 filed within six months after the effective date of this Act.

10 Such time limitation may similarly be waived in the case
11 of an officer or employee who at the date of separation
12 from service or within six months thereafter is mentally
13 incompetent, but the application in such case must be filed
14 with the Civil Service Commission within one year from
15 the date of restoration of such person to competency or the
16 appointment of a fiduciary whichever is the earlier.

17 “Every annuitant retired under the provisions of this
18 section unless the disability for which retired be permanent
19 in character, shall at the expiration of one year from the date
20 of such retirement and annually thereafter, until reaching
21 age sixty, be examined under the direction of the Civil Serv-
22 ice Commission by a medical officer of the United States, or
23 a duly qualified physician or surgeon, or board of physicians
24 or surgeons designated by the Civil Service Commission for
25 that purpose, in order to ascertain the nature and degree of

1 the annuitant's disability, if any. If an annuitant shall re-
2 cover before reaching age sixty and be restored to an earn-
3 ing capacity which would permit him to be appointed to
4 some appropriate position fairly comparable in compensa-
5 tion to the position occupied at the time of retirement, pay-
6 ment of the annuity shall be continued temporarily to afford
7 the annuitant opportunity to seek such available position,
8 but not in any case exceeding one year from the date of the
9 medical examination showing such recovery. Should the
10 annuitant fail to appear for examination as required under
11 this section, payment of the annuity shall be suspended until
12 continuance of the disability shall have been satisfactorily
13 established. The Civil Service Commission may order or
14 direct at any time such medical or other examination as it
15 shall deem necessary to determine the facts relative to the
16 nature and degree of disability of any officer or employee
17 retired on an annuity under this section.

18 "If a recovered disability annuitant whose annuity is
19 discontinued subsequent to June 30, 1945, shall fail to obtain
20 reemployment in any position included in the provisions of
21 this Act, he shall be considered as having been separated
22 from the service within the meaning of section 7 of this
23 Act as of the date he was retired for disability and shall,
24 after the discontinuance of the disability annuity, be entitled

1 to a deferred annuity in accordance with the provisions of
2 such section."

3 "SEC. 7. Section 7 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 7. (a) Should any officer or employee to whom
6 this Act applies after having rendered five years of service,
7 computed as prescribed in section 5 of this Act, but less than
8 ten years of creditable civilian service and before becoming
9 eligible for retirement under section 1 (a) of this Act become
10 separated from the service, such officer or employee shall be
11 paid as he may elect, (A) a deferred annuity beginning at
12 the age of sixty-two years, or the age at separation if beyond
13 the age of sixty-two computed as provided in section 4 (a)
14 of this Act, or (B) the total amount credited to his individual
15 account together with interest at 4 per centum per annum
16 to December 31, 1947, and 3 per centum per annum there-
17 after compounded on December 31 of each year to date of
18 separation.

19 "(b) Should any officer or employee to whom this Act
20 applies, after having rendered at least ten years of creditable
21 civilian service and before becoming eligible for retirement
22 under section 1 (a) of this Act become separated from the
23 service, such officer or employee shall be paid a deferred
24 annuity beginning at the age of sixty-two years.

25 "(c) All amounts returned to an officer or employee

1 under this section must upon reinstatement, retransfer, or re-
2 appointment to a position within the purview of this Act be
3 redeposited by such officer or employee before he may
4 received full credit for the service covered by the refund.”

5 SEC. 8. Section 8 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 “SEC. 8. In the case of any officer or employee who
8 before the effective date of this Act shall have been retired
9 on annuity under the provisions of the Act of May 22, 1920,
10 as amended, or section 8 (a) of the Act of June 16, 1933,
11 the annuity shall be increased, effective on the first day of
12 the fourth month following the month in which this Act is
13 enacted by 25 per centum or \$300, whichever is the lesser:
14 *Provided*, That each such annuitant may, prior to the effec-
15 tive date herein prescribed, elect to retain his or her present
16 annuity, in lieu of the increased annuity provided by this
17 section, and name his wife or her husband to receive upon
18 his or her death one-half of his or her present annuity but
19 not to exceed \$600 per annum during the remainder of the
20 life of such surviving husband or wife and upon the death
21 of such survivor no further annuity shall be due or payable.

22 “In case any officer or employee shall have been sep-
23 arated subsequent to January 23, 1942, and prior to effective
24 date of this Act and have acquired title to annuity under
25 section 7 of the Act of May 29, 1930, as amended, beginning

1 after such effective date, such annuity shall be computed in
2 accordance with section 4 of this Act but any reduction
3 applicable thereto shall be determined as if this Act had not
4 been enacted: *Provided*, That any such officer or employee
5 may elect to forfeit his right to such annuity and elect in lieu
6 thereof to receive the benefits provided by section 7 of this
7 Act.”

8 SEC. 9. Section 9 of the Act of May 29, 1930, as
9 amended, is amended to read as follows:

10 “SEC. 9. Each officer or employee within the purview
11 of this Act may deposit to the credit of the ‘civil-service
12 retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum
13 of his basic salary, pay, or compensation received for services
14 rendered after July 31, 1920, and prior to July 1, 1926;
15 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
16 services rendered from and after July 1, 1926, and prior to
17 July 1, 1942; 5 per centum of said basic pay, salary, or
18 compensation for services rendered from and after July 1,
19 1942, and prior to the first day of the first pay period in
20 1948, and also 6 per centum thereafter, covering service dur-
21 ing which no deductions were withheld for deposit in the said
22 fund. Each such officer or employee may elect to make such
23 deposits in installments during the continuance of his service
24 in such amounts and under such conditions as may be deter-
25 mined in each instance by the Civil Service Commission.

1 The amount so deposited shall be credited to the individual
2 account of the officer or employee in the said fund. Upon
3 making such deposit, the officer or employee shall be entitled
4 to full credit for the period or periods of service involved:
5 *Provided*, That no deposit shall be required for any service
6 rendered prior to August 1, 1920, or for periods of honorable
7 service in the Army, Navy, Marine Corps, or Coast Guard of
8 the United States.”

9 SEC. 10. The first two paragraphs of section 10 of the
10 Act of May 29, 1930, as amended, are amended to read as
11 follows:

12 “Beginning as of July 1, 1942, there shall be deducted
13 and withheld from the basic salary, pay, or compensation of
14 each officer or employee to whom this Act applies a sum
15 equal to 5 per centum of such officer’s or employee’s basic
16 salary, pay, or compensation: *Provided*, That from and
17 after the first day of the first pay period in 1948, there shall
18 be deducted and withheld from the basic salary, pay, or
19 compensation of each officer or employee to whom this Act
20 applies a sum equal to 6 per centum of such officer’s or
21 employee’s basic salary, pay, or compensation. The amounts
22 so deducted and withheld from the basic salary, pay, or
23 compensation of each officer or employee shall, in accord-
24 ance with such procedure as may be prescribed by the
25 Comptroller General of the United States, be deposited in

1 the Treasury of the United States to the credit of the civil-
2 service retirement and disability fund created by the Act
3 of May 22, 1920, and said fund is hereby appropriated for
4 the payment of annuities, refunds, and allowances as provided
5 in this Act.

6 “Any officer or employee may at his option and under
7 such regulations as may be prescribed by the Civil Service
8 Commission deposit additional sums in multiples of \$25 but
9 not to exceed 10 per centum of his annual basic salary, pay,
10 or compensation, for service rendered since August 1, 1920,
11 which amount together with interest thereon at 3 per centum
12 per annum compounded as of December 31 of each year,
13 shall, at the date of his retirement, be available to purchase,
14 as he shall elect and in accordance with such rules and
15 regulations as may be prescribed by the Civil Service Com-
16 mission, an annuity in addition to the annuity provided
17 by this Act. The life annuity shall consist of \$7 for each
18 \$100 in case the officer or employee has not reached age
19 sixty; \$8 if he has reached age sixty but not age sixty-five;
20 \$9 if he has reached age sixty-five but not age seventy; and
21 \$10 if he has reached age seventy. In the event of death
22 or separation from the service of such officer or employee
23 before becoming eligible for retirement on annuity, the total
24 amount so deposited with interest at 3 per centum per
25 annum to date of death or separation compounded on De-

1 cember 31 of each year shall be refunded in accordance with
2 the provisions of section 12 of this Act.”

3 SEC. 11. Section 12 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 12. (a) Under such regulations as may be pre-
6 scribed by the Civil Service Commission the amounts de-
7 ducted and withheld from the basic salary, pay, or compensa-
8 tion of each officer or employee for credit to the ‘civil-service
9 retirement and disability fund’ created by the Act of May
10 22, 1920, covering service from and after August 1, 1920,
11 shall be credited to an individual account of such officer or
12 employee.

13 “(b) (1) In the case of any officer or employee to
14 whom this Act applies who shall become absolutely sep-
15 arated from the service before he shall have completed an
16 aggregate of five years of service computed as prescribed
17 in section 5 of this Act, or who shall be transferred to a
18 position not within the purview of this Act, the amount
19 credited to his individual account together with interest at
20 4 per centum per annum to December 31, 1947, and 3
21 per centum per annum thereafter compounded on December
22 31 of each year to date of separation shall be returned to
23 such officer or employee: *Provided*, That in computing
24 interest under this subsection, a fractional part of a month
25 in the total service covered by the refund shall be disre-

1 garded, and no interest shall be allowed in any case unless
2 the service covered by the refund aggregates more than one
3 year.

4 “(2) All amounts returned to an officer or employee
5 under this subsection must, upon reinstatement, retransfer,
6 or reappointment to a position within the purview of this
7 Act, be redeposited by such officer or employee before he
8 may receive full credit for the service covered by the refund.

9 “(c) (1) In case any officer or employee to whom
10 this Act applies shall die after having rendered at least five
11 years of civilian service computed as prescribed in section 5
12 of this Act and is survived by a widow, such widow shall
13 be paid an annuity beginning the first day of the month
14 following the death of the officer or employee or following
15 the widow's attainment of age sixty, whichever is the later,
16 equal to 50 per centum of the amount of an annuity com-
17 puted as provided in section 4 (a) hereof with respect to
18 such officer or employee: *Provided*, That such payments
19 shall cease upon death of the widow.

20 “(2) In case any officer or employee to whom this
21 Act applies shall die after having rendered at least five years
22 of civilian service computed as prescribed in section 5 of
23 this Act, or after having retired subsequent to the effective
24 date of this Act under section 1, 2, or 6, and is survived
25 by a widow and a child or children, such widow shall be

1 paid an immediate annuity equal to 50 per centum of the
2 amount of an annuity computed as provided in section 4
3 (a) hereof with respect to such officer or employee. Such
4 annuity shall be terminable upon the death of such widow,
5 her attainment of age sixty, or upon termination of depend-
6 ency of the last surviving child by reason of (A) his at-
7 taining the age of eighteen years, (B) his marriage, or
8 (C) his death, whichever first occurs, except that if such
9 child is incapable of self-support by reason of mental or
10 physical disability his dependency shall terminate only upon
11 his death, marriage, or recovery from such disability.

12 “(d) As used in this Act—

13 “(1) The term ‘widow’ means a surviving wife of an
14 individual, who either (A) shall have been married to such
15 individual for at least five years immediately preceding his
16 death, or (B) is the mother of issue by such marriage.

17 “(2) The term ‘child’ means an unmarried child, in-
18 cluding a dependent stepchild or an adopted child, under
19 the age of eighteen years, or an unmarried child who be-
20 cause of physical or mental disability is incapable of self-
21 support.

22 “(3) Questions of dependency and disability arising
23 under this section shall be determined by the Civil Service
24 Commission and its decisions with respect to such matters
25 shall be final and conclusive and shall not be subject to re-

1 view. The Commission may order or direct at any time
2 such medical or other examinations as it shall deem neces-
3 sary to determine the facts relative to the nature and degree
4 of disability of any annuitant or applicant for annuity under
5 this section, and may suspend or deny any such annuity
6 for failure to submit to any such examination.

7 “(e) In case an officer or employee to whom this Act
8 applies shall die (1) before having rendered five years of
9 civilian service computed as prescribed in section 5 of this
10 Act or without a survivor entitled to annuity benefits pro-
11 vided by section 12 (c) hereof the total amount of deduc-
12 tions credited to his individual account with interest thereon
13 at 4 per centum per annum to December 31, 1947, and 3 per
14 centum per annum thereafter compounded on December 31
15 of each year to date of death, or (2) leaving a survivor en-
16 titled to such annuity benefits the total amount of deductions
17 credited to his individual account without interest, shall be
18 paid upon the establishment of a valid claim therefor, in the
19 following order of precedence:

20 “First, to the beneficiary or beneficiaries designated in
21 writing by such officer or employee and recorded with the
22 Civil Service Commission;

23 “Second, if there be no such beneficiary, to the duly ap-
24 pointed executor or administrator of the estate of such officer
25 or employee;

1 “Third, if there be no such beneficiary or executor or
2 administrator, payment may be made, after the expiration of
3 thirty days from the date of the death of the officer or em-
4 ployee, to such person or persons as may appear in the judg-
5 ment of the Civil Service Commission to be legally entitled
6 thereto, and such payment shall be a bar to recovery by any
7 other person.

8 “(f) In case of death of a retired employee (1) who
9 has not elected a joint and survivorship annuity as provided
10 in section 4 (c) of this Act and who has not received in
11 annuities an amount equal to the total amount credited to
12 his individual account with interest thereon at 4 per centum
13 per annum to December 31, 1947, and 3 per centum per
14 annum thereafter compounded on December 31 of each year
15 to date of retirement, or (2) who has elected a joint and
16 survivorship annuity as provided in section 4 (b) of this
17 Act and who has not received in annuities an amount equal
18 to the total amount credited to his individual account, the
19 difference and/or any accrued annuity due shall be paid
20 upon the establishment of a valid claim therefor, in the order
21 of precedence specified in subsection (e) hereof: In case
22 any separated officer or employee who is entitled to a de-
23 ferred annuity as provided in section 7 (a) or 7 (b) hereof
24 shall die before having established a valid claim for annuity,
25 the total amount credited to his individual account with in-

1 terest thereon at 4 per centum per annum to December 31,
2 1947, and 3 per centum per annum thereafter compounded
3 on December 31 of each year to date of death, shall be paid
4 upon the establishment of a valid claim therefor in the order
5 of precedence specified in subsection (e) hereof.

6 “(g) Where any payment under this Act is to be made
7 to a minor, or to a person mentally incompetent or under
8 other legal disability adjudged by a court of competent juris-
9 diction, such payment may be made to the person who is
10 constituted guardian or other fiduciary by the law of the
11 State of residence of such claimant or is otherwise legally
12 vested with the care of the claimant or his estate: *Provided*,
13 That where no guardian or other fiduciary of the person
14 under legal disability has been appointed under the laws
15 of the State of residence of the claimant, the Civil Service
16 Commission shall determine the person who is otherwise
17 legally vested with the care of the claimant or his estate.

18 “(h) In case a former employee entitled to the return
19 of the amount credited to his individual account shall become
20 legally incompetent, the total amount due may be paid to
21 a duly appointed guardian or committee of such former em-
22 ployee. If the amount of refund due such former employee
23 does not exceed \$1,000, and if there has been no demand
24 upon the Civil Service Commission by a duly appointed
25 guardian or committee, payment may be made, after the

1 expiration of thirty days from date of separation from the
2 service, to such person or persons, in the discretion of the
3 Commission, who may have the care and custody of such
4 former employee, and such payment shall be a bar to
5 recovery by any other person.

6 “(i) Each employee or annuitant to whom this Act
7 applies shall, under regulations prescribed by the Civil
8 Service Commission, designate a beneficiary or beneficiaries
9 to whom shall be paid, upon the death of the employee or
10 annuitant, any sum remaining to his credit (including any
11 accrued annuity) under the provisions of this Act.”

12 SEC. 12. The first paragraph of section 13 of the Act of
13 May 29, 1930, as amended, is amended to read as follows:

14 “Annuities granted under the terms of this Act shall
15 accrue monthly and shall be due and payable in monthly
16 installments on the first business day of the month following
17 the month or other period for which the annuity shall have
18 accrued. Payment of all annuities, refunds, and allowances
19 granted hereunder shall be made by checks drawn and issued
20 by the Treasury Department in such form and manner and
21 with such safeguards as shall be prescribed by the Civil
22 Service Commission in accordance with the laws, rules, and
23 regulations governing accounting that may be found applica-
24 ble to such payments.”

1 SEC. 13. The third paragraph of section 13 of the Act of
2 May 29, 1930, as amended, is amended to read as follows:

3 “An annuity granted for retirement under the provisions
4 of section 1 or 2 of this Act shall commence the first day
5 of the month following the date of separation from the service,
6 or on the first day of the month following the month in which
7 salary shall cease provided the employee meets the age and
8 service requirements for retirement at that time, and shall
9 continue during the life of the annuitant. An annuity
10 granted under the provisions of section 6 or 7 hereof shall be
11 subject to the limitations specified in said sections.”

12 SEC. 14. Section 14 of the Act of May 29, 1930, as
13 amended, is hereby repealed.

14 SEC. 15. Except as otherwise provided herein, this Act
15 shall become effective on the first day of the fourth month
16 following the month of approval.

80TH CONGRESS
1ST SESSION

H. R. 4127

[Report No. 888]

A BILL

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

By Mr. STEVENSON

JULY 9, 1947

Referred to the Committee on Post Office and Civil
Service

JULY 11, 1947

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 16, 1947
For actions of July 15, 1947
80th-1st, No. 135

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HIGHLIGHTS: House sent agricultural appropriation bill to conference. House passed bill to permit agencies to meet payrolls for first half of July. House passed bill to permit sale of timber in Tongass Forest. House passed employees' loyalty bill. House committees reported wool bill without import-control provision, bill to limit entry of nursery stock, bill to amend various peanut-quota provisions, bill to abolish Jackson Hole Monument and return lands to Forest Service, and bill to change basis for 20% marketing-research requirement. Both Houses agreed to conference report on legislative appropriation bill. Rep. Hope introduced bill to authorize Agriculture Committee to investigate agricultural matters. Senate passed independent offices appropriation bill. Sen. Williams said CCC was responsible for "technical corner" on wheat market and discussed Government marketing operations.

HOUSE

- 1. AGRICULTURAL APPROPRIATION BILL.** Reps. Dirksen, Plumley, Andersen, Horan, Phillips of Calif., Cannon, Whitten, and Sheppard were appointed conferees on this bill, H. R. 3601 (p. 9103). Senate conferees were appointed July 14.
- 2. TEMPORARY APPROPRIATIONS.** Passed without amendment H. J. Res. 240, which reads as follows: "Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to meet pay rolls (obligations for which were incurred in accordance with section 102 of the Second Urgent Deficiency Appropriation Act, 1947, Public Law 161) for pay periods ending prior to July 16, 1947: Provided, That expenditures hereunder shall be charged to the appropriate appropriations for the fiscal year 1948 when made" (p. 9117).
- 3. FORESTS.** Passed as reported H. J. Res. 205, to authorize sale of timber in the Tongass National Forest, Alaska, in such a way as to facilitate pulp production in view of the aboriginal claims of Indians (p. 9094). A similar measure, S. J. Res. 118, has been reported in the Senate.
- 4. EMPLOYEES' LOYALTY.** Passed, 319-61; with amendments H. R. 3813, which provides for a preliminary loyalty check on all Federal employees and job applicants by the Civil Service Commission and an investigation by FBI of adverse findings, prior to action by a 5-member Federal Loyalty Review Board, whose findings of fact are to be final (pp. 9118-56). A motion to recommit the bill to provide for appeal to the Court of Appeals was rejected 133-248.

- 4a. TVA COOPERATIVES. Received from this Department a proposed bill to provide for liquidation of Tenn. Valley Coop. Inc., by USDA; to Agriculture Committee (p. 9163).
5. WOOL-PRICE SUPPORTS. The Agriculture Committee reported without amendment S. 1498, the wool bill which is the same as the vetoed bill except for elimination of the import-control provisions (H. Rept. 920)(p. 9163).
6. PLANT QUARANTINE. The Agriculture Committee reported with amendments S. 338, to authorize USDA to limit importation of nursery stock to that needed for propagation and require that such stock be grown in post-entry quarantine to determine whether it is infested or infected (H. Rept. 921)(p. 9163).
7. PEANUT QUOTAS. The Agriculture Committee reported without amendment H. R. 4124, to amend peanut-quota provisions by providing that the farm marketing quota shall be the actual production of the farm acreage allotment and that no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm; by changing the excess-marketing penalty to 50% of the basic loan rate; and by making peanuts subject to quotas even though marketed before the beginning of the marketing year, with penalties for false statements regarding this (H. Rept. 922)(pp. 9163-4).
8. FORESTS. The Public Lands Committee reported with amendments H. R. 1330, to abolish the Jackson Hole National Monument and return certain forest lands to the Forest Service (H. Rept. 914)(p. 9163).
9. RESEARCH. The Agriculture Committee reported without amendment H. R. 4110, which amends the Research and Marketing Act of 1946 by providing that not less than 20% of the funds "appropriated", rather than those "authorized to be appropriated", for general research shall be used by the State agricultural experiment stations for conducting marketing research approved by the Department (H. Rept. 930)(p. 9164).
10. PERSONNEL. The Interstate and Foreign Commerce Committee reported without amendment S. Con. Res. 14, favoring fair representation of small businessmen on policy-making bodies created by Executive appointments (H. Rept. 929)(p. 9164).
11. RECLAMATION. The Public Lands Committee reported without amendment H. Res. 244, for investigations looking to provision of additional water for southern Calif. and the Colo. River Basin (H. Rept. 916)(p. 9163).
This Committee reported without amendment H. R. 3834, to authorize a project for rehabilitation of certain works of the Fort Sumner irrigation district in N. Mex. (H. Rept. 924)(p. 9164).
12. CIVIL-SERVICE RETIREMENT. The Rules Committee reported a resolution providing for consideration of H. R. 4127, the omnibus retirement bill (p. 9163).
13. LEGISLATIVE APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 3993 (pp. 9069-70, 9109-10). This bill will now be sent to the President.
14. NAVAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 3493 (pp. 9070-1, 9104-9). This bill will now be sent to the President.
15. RESEARCH. H. R. 4102, as reported (see Digest 131), creates a National Science Foundation of 24 members to be appointed by the President and confirmed by the Senate, to formulate, develop, and establish a national policy for promotion of fundamental research and education in the sciences and to correlate its scientific programs with those undertaken by individuals and by public and private research groups; provides for an executive committee of the Foundation and a Director to be appointed by the Foundation; establishes an interdepartmental

passed the House on May 12. This bill provides for veterans who are receiving institutional or farm training.

The Mathews bill, H. R. 4007, was reported from committee on July 2, 1947, under Report No. 780. This bill supersedes H. R. 3583, which is for a similar purpose. It provides for automobiles for service-connected disabled veterans who sustained the loss, or loss of use of a foot or a hand, or who are blind. The Rules Committee was requested to permit a special rule but has taken no action upon a hearing held upon this request.

The Patterson bill, H. R. 3889, was reported from committee on July 8, 1947, under Report No. 808, and is now upon the Consent Calendar. This measure would establish a presumption of service-connection for chronic and tropical diseases. It would fill a need caused by extensive service by veterans of World War II in tropical countries.

The Mathews bill, H. R. 4055 was reported from committee on July 11, 1947, and is now upon the Consent Calendar of the House. This bill would grant to veterans of the Indian wars and to their dependents the same increase in pension (20 percent) that was given to Civil War and Spanish-American War veterans by H. R. 3961, which was passed by the House unanimously.

The Crow bill, H. R. 3623, was reported from committee on July 2, 1947, and is now upon the Consent Calendar of the House. It provides that members of the Communist Party shall be ineligible for veterans' benefits and exacts penalties for infraction of the law.

The following letter shows the need for H. R. 4007:

BOSTON, MASS., July 8, 1947.

DEAR MRS. ROGERS: I am a blinded amputee veteran of this past World War and although entitled to a car under the present bill, being an amputee, I am not able to qualify for one, being blinded in the same action in which I lost my left leg, blinded in addition to the loss of my leg, I cannot get a car as I cannot see to drive it myself, and I would like to add my case to the many you have already heard about who are left out of the present bill which just ended last month.

I think I am entitled to a car as an amputee but also more so being blinded, through no fault of my own and in action in Italy in the Infantry.

I have been following the accounts of your committee in trying to have the old bill changed and fairer distribution of cars to amputees, either through a new bill or an amendment to the old one. I find it very hard getting around and need a car as much or more so than a sighted amputee. I spent 2 years in Army hospitals, and besides the loss of a leg and being blinded my other leg is also badly damaged and this adds to my problem of traveling. I know there are hundreds of other veterans like me who were left out of the car bill and are entitled to them just as much as the sighted amputees.

You have my permission to use my case in any way you see fit to help bring about a fair bill on autos for amputees now. We need these cars now and hope Congress will take action before they close this session.

Sincerely yours,

Ex-Tech, Sgt. PHILIP H. HURRELL.

GENERAL LEAVE TO EXTEND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I also ask unanimous consent that the members of the committee and

all Members may extend their remarks at this point in the RECORD if they so wish.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3493. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3950. An act to reduce individual income-tax payments; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1419. An act to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3950. An act to reduce individual income taxes; and

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands.

ADJOURNMENT

Mr. McDOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 16, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

927. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the transfer of certain troop-kitchen railway cars to the War Department, and for other purposes; to the Committee on Armed Services.

928. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to Junior Naval Reserve Unit, Sanford, Fla.; to the Committee on Armed Services.

929. A letter from the Acting Secretary of the Navy, transmitting report of proposed transfer of equipment to All Hallows Episcopal Church, Snow Hill, Md.; to the Committee on Armed Services.

930. A letter from the Under Secretary of Agriculture, transmitting a draft of a proposed bill to provide for the liquidation and dissolution of the Tennessee Valley Associated Cooperatives, Inc.; to the Committee on Agriculture.

931. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of activities of the Reconstruction Finance Corporation for the month of February 1947; to the Committee on Banking and Currency.

932. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a picket boat to the United States, Coast Guard Auxiliary Flotilla 33, of California; to the Committee on Armed Services.

933. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. H. R. 1330. A bill to abolish the Jackson Hole National Monument as created by Presidential Proclamation No. 2578, dated March 15, 1943, and to restore the lands belonging to the United States within the exterior boundaries of said monument to the same status held immediately prior to the issuance of said proclamation; with amendments (Rept. No. 914). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. S. 272. An act to provide for the utilization of surplus War Department-owned military real property as national cemeteries, when feasible; without amendment (Rept. No. 915). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. House Resolution 244. Resolution for the initiation of investigations looking to the provision of additional water for southern California and the Colorado River Basin, and for other purposes; without amendment (Rept. No. 916). Referred to the Committee of the Whole House on the State of the Union.

Mr. TABER: Committee on Appropriations. House Joint Resolution 240. Joint resolution making temporary appropriations for the fiscal year 1948; without amendment (Rept. No. 917). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 292. Resolution providing for the consideration of H. R. 4127, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 918). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3325. A bill to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes; with an amendment (Rept. No. 919). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 1498. An act to provide support for wool, and for other purposes; without amendment (Rept. No. 920). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. S. 338. An act to amend the Plant Quarantine Act approved August 20, 1912, as amended, by adding thereto a new section; with amendments (Rept. No. 921). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4124. A bill to amend the peanut marketing quota provisions of the Agricul-

tural Adjustment Act of 1938, as amended; without amendment (Rept. No. 922). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3980. A bill to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial securities; and for other purposes; with amendments (Rept. No. 923). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3834. A bill to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes; without amendment (Rept. No. 924). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3814. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; with an amendment (Rept. No. 925). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 3417. A bill to provide for the conveyance to Escambia County, State of Florida, of a portion of Santa Rosa Island which is under the jurisdiction of the War Department; with an amendment (Rept. No. 926). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIKES: Committee on Armed Services. H. R. 3735. A bill to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes; with amendments (Rept. No. 927). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 3632. A bill to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the unemployment trust fund; without amendment (Rept. No. 928). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWELL: Committee on Interstate and Foreign Commerce. Senate Concurrent Resolution 14. Concurrent resolution favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment; without amendment (Rept. No. 929). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 4110. A bill to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); without amendment (Rept. No. 930). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. House Concurrent Resolution 70. Concurrent resolution authorizing the Committee on Expenditures in the Executive Departments of the House of Representatives to have printed for its use additional copies of the hearings on the bill H. R. 2319, the National Security Act of 1947; with an amendment (Rept. No. 931).

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREHM:

H. R. 4200. A bill to provide for, foster, and aid in coordinating research relating to den-

tal diseases and conditions; to establish the National Institute of Dental Research, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DEWART:

H. R. 4201. A bill to authorize payments to the public-school district or districts serving the Fort Peck project, Montana, for the education of dependents of persons engaged on that project; to the Committee on Public Lands.

By Mr. ROGERS of Florida:

H. R. 4202. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. WELCH:

H. R. 4203. A bill to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

By Mr. BECKWORTH:

H. R. 4204. A bill to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase loans guaranteed or insured under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

By Mr. DEVITT:

H. R. 4205. A bill to provide for the settlement and payment to certain motor carriers of claims against the United States for damages resulting from Federal possession, control, and operation in time of war of the carriers' transportation systems and properties; to provide for just compensation to such carriers for the use of such transportation systems and properties during such possession, control, and operation, and for other purposes; to the Committee on the Judiciary.

By Mr. TOWE:

H. R. 4206. A bill to provide for the payment of a uniform allowance to officers of the National Guard of the United States; to the Committee on Armed Services.

H. R. 4207. A bill to amend Thirty-second United States Code, section 49 (67 N. D. A.), as amended, to provide for an active-duty status for all United States property and disbursing officers; to the Committee on Armed Services.

By Mr. COLE of New York:

H. R. 4208. A bill to amend section 251 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee:

H. R. 4209. A bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain land to the city of Memphis, Tenn., for street-widening purposes; to the Committee on Veterans' Affairs.

By Mr. HAGEN:

H. R. 4210. A bill to provide for an amendment to chapter 29 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mrs. BOLTON:

H. R. 4211. A bill to amend section 301 of the Federal Food, Drug, and Cosmetic Act so as to prohibit the introduction into interstate commerce of salt, in certain containers, not having a required content of iodides; to the Committee on Interstate and Foreign Commerce.

By Mr. MEADE of Kentucky:

H. R. 4212. A bill to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. REED of New York:

H. R. 4213. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; to the Committee on Ways and Means.

By Mr. HOFFMAN:

H. R. 4214. A bill to promote the national security by providing for a Secretary of Defense; for a national military establishment; for a Department of the Army, a Department

of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security; to the Committee on Expenditures in the Executive Departments.

By Mr. KUNKEL:

H. R. 4215. A bill to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States; to the Committee on the Judiciary.

By Mr. LEMKE:

H. R. 4216. A bill to define some acts constituting lack of good behavior within the terms of article III, section 1, of the Constitution of the United States of justices and judges of courts of the United States; to the Committee on the Judiciary.

By Mr. MACK:

H. R. 4217. A bill appropriating funds for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash.; to the Committee on Appropriations.

By Mr. GRAHAM (by request):

H. J. Res. 239. Joint resolution proposing an amendment to the Constitution of the United States with respect to religious freedom; to the Committee on the Judiciary.

By Mr. TABER:

H. J. Res. 240. Joint resolution making temporary appropriations for the fiscal year 1948; to the Committee on Appropriations.

By Mr. McCORMACK:

H. J. Res. 241. Joint resolution to provide for the preparation of a plan for the participation by the United States in the observance and celebration in Cuba of the fiftieth anniversary of American and Cuban victories in the War with Spain; to the Committee on Foreign Affairs.

By Mr. ROSS:

H. Con. Res. 72. Concurrent resolution to call a conference for the revision and strengthening of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. LODGE:

H. Con. Res. 73. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods; to the Committee on Rules.

By Mr. FOOTE:

H. Con. Res. 74. Concurrent resolution establishing a joint committee to investigate high prices of consumer goods; to the Committee on Rules.

By Mr. KNUTSON:

H. Res. 293. Resolution to authorize the Committee on Ways and Means to continue its investigation and study of the internal-revenue laws; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 294. Resolution authorizing the printing of 6,000 additional copies of the third intermediate report, entitled "Investigation of the Participation of Federal Officials in the Formation and Operation of Health Workshops"; to the Committee on House Administration.

By Mr. EATON:

H. Res. 295. Resolution authorizing the Committee on Foreign Affairs to conduct studies and investigations of all matters coming within the jurisdiction of that committee and providing for participation by members of other standing committees of the House of Representatives; to the Committee on Rules.

By Mr. HERTER:

H. Res. 296. Resolution to create a Select Committee on Foreign Aid; to the Committee on Rules.

By Mr. KNUTSON:

H. Res. 297. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 293; to the Committee on House Administration.

By Mr. HOPE:

H. Res. 298. Resolution authorizing the Committee on Agriculture to make studies and investigations into matters relating to agriculture; to the Committee on Rules.

CONSIDERATION OF H. R. 4127

JULY 15, 1947.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 292]

The Committee on Rules, having had under consideration House Resolution 292, reports the same to the House with the recommendation that the resolution do pass.



House Calendar No. 134

80TH CONGRESS
1ST SESSION

H. RES. 292

[Report No. 918]

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed.

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House resolve
3 itself into the Committee of the Whole House on the State
4 of the Union for the consideration of the bill (H. R. 4127)
5 to amend the Civil Service Retirement Act of May 29, 1930,
6 as amended, and all points of order against said bill are
7 hereby waived. That after general debate, which shall be
8 confined to the bill and continue not to exceed one hour,
9 to be equally divided and controlled by the chairman and
10 ranking minority member of the Committee on Post Office
11 and Civil Service, the bill shall be read for amendment
12 under the five-minute rule. At the conclusion of the con-

1 sideration of the bill for amendment, the Committee shall
2 rise and report the bill to the House with such amendments
3 as may have been adopted and the previous question shall
4 be considered as ordered on the bill and amendments thereto
5 to final passage without intervening motion except one
6 motion to recommit.

House Calendar No. 134

80TH CONGRESS
1ST SESSION

H. RES. 292

[Report No. 918]

RESOLUTION

Providing for the consideration of the bill
(H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

By Mr. ALLEN of Illinois

JULY 15, 1947

Referred to the House Calendar and ordered to be
printed

3. PERSONNEL. The Civil Service Committee reported the following bills without amendment (p. 9630):
H. R. 1995, to provide for return of civil-service retirement deductions of employees separated before completing 10 years of service (S. Rept. 633).
S. 1493, to give the Civil Service Commission final decision as to eligibility under the Veterans' Preference Act (S. Rept. 636).
4. GRAZING. The Public Lands Committee reported with amendments S. 1367, to amend the Taylor Grazing Act regarding distribution of fees (S. Rept. 647)(p. 9630).
5. COMMITTEE STAFF. The Expenditures in the Executive Departments Committee reported without amendment S. Res. 152, authorizing the Committee to make additional expenditures and employ temporary assistants (S. Rept. 651); to Rules and Administration Committee (p. 9630).
6. LAWS CODIFICATION. The Judiciary Committee reported without amendment H. R. 1565, to codify and enact into positive law Title I of the U. S. Code, "General Provisions" (S. Rept. 658)(p. 9630).
7. LEGISLATIVE PROGRAM. It is expected that the Senate today will consider the Reorganization Plan on housing and bills on the calendar (p. 9681).

HOUSE

8. FARM PROGRAM. The Rules Committee reported H. Res. 298, to authorize the Agriculture Committee to investigate any matter within its jurisdiction, including but not limited to the study of long-range problems affecting agriculture and forestry, effectiveness of measures to control foot-and-mouth disease, existence and causes of shortages and surpluses of food and other agricultural commodities, and the current and prospective demand for food and other agricultural commodities, at home and abroad (H. Rept. 1015) (pp. 9719, 9799).
9. PERSONNEL RETIREMENT. Passed as reported H. R. 4127, which contains the following provisions: (1) Retired employees now on the annuity rolls are to obtain increased annuity benefits, or in lieu thereof are permitted to obtain certain benefits for their surviving spouse; (2) provision is made for a more simple and more equitable method of computing annuities which raises annuities by approximately 5 percent in the higher salary groups to 25 percent in the lower brackets (an increase of 25 percent, or \$300, whichever is the lesser, is provided for present annuitants); (3) Federal employees' contributions to the retirement fund are increased from 5 to 6 percent of such employees' basic salary; (4) retirement deductions are to be refunded to employees who have had less than 5 years of service, optional refunds are provided for those employees with from 5 to 10 years of service (excluding military service), but contributions to the retirement fund from employees with 10 or more years of service (excluding military service) are to be retained in the retirement fund until such age as annuities are provided; and (5) the so-called tontine service charge against Federal employees is eliminated (pp. 9763-75).
10. AGRICULTURAL APPROPRIATIONS. Rep. Dirksen obtained unanimous consent for the Agricultural Appropriation subcommittee to have until midnight, July 21, to file a report (p. 9719).
11. INTERIOR DEPARTMENT APPROPRIATION BILL, 1948. Agreed to the conference report on this bill, H. R. 3123, concurred in Senate action on 13 of the amendments reported in disagreement, and agreed with amendments to the remaining ten (pp. 9778-88).

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 22, 1947
For actions of July 21, 1947
80th-1st, No. 140

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HIGHLIGHTS: Senate agreed to conference report on agricultural appropriation bill and acted on amendments. Both Houses received mid-year economic report from President. House passed bills to revise Civil Service Retirement Act, amend Marketing Agreement Act, provide for fats and oils statistics, change peanut-quota provisions, transfer Crab Orchard project, provide for specific milk-price supports, extend certain farm programs to Virgin Islands, control importation of nursery stock, modify Research and marketing Act provisions regarding appropriations. House agreed to conference report on Interior appropriation bill. House received conference report on National Science Foundation.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1948. Agreed to the conference report on this bill, H. R. 3601 (pp. 9645-7). Agreed to the House amendment, regarding BAI quarantine service, to the Senate amendment concerning leave payments (p. 9647). Further insisted on Senate amendments as follows:
 - Meat inspection increase and deletion of reimbursable provision (p. 9647).
 - Agricultural conservation program increases (pp. 9647-63, 9671-3, 9676-8); by an 81-0 vote.
 - School-lunch program increase (pp. 9678-9); by an 81-0 vote.
 - Farm-tenant loans item (pp. 9679-80); by an 84-0 vote.Sens. Brooks, Gurney, Reed, Bushfield, Russell, Hayden, and Tydings were appointed conferees for a further conference (p. 9680).
2. REMOUNT SERVICE. Sen. Thomas, Okla., criticized H. R. 3484, to transfer the Remount Service to the Department, and spoke in favor of S. 718, to provide for sale of the Fort Reno station to farmers. Sen. Morse spoke in favor of H. R. 3484 and inserted the report of the Department on this bill. Sen. Thomas submitted S. Res. 155, to provide for consideration of H. R. 3484 by the Agriculture and Forestry Committee prior to floor action, and the resolution was ordered to lie on the table. Several other Senators also discussed this matter. (pp. 9663-71).

from New Jersey that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, entirely on account of the cost of the bill being too high for consideration under the Consent Calendar, I object.

The SPEAKER. That concludes the calling of the Consent Calendar.

MINING LOCATIONS IN A CERTAIN PORTION OF HARNEY NATIONAL FOREST

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to return to Calendar No. 307 the bill (H. R. 2867) to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest, designated as a game sanctuary, and for other purposes.

I have talked to the gentleman from Pennsylvania [Mr. FULTON], who objected. I have explained the bill to him and he has told me he has no objection.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, subject to the conditions herein provided, mining locations may be made under the general mining laws of the United States on lands of the United States situated within the exterior boundaries of that portion of the Harney National Forest designated as the Custer State Park Game Sanctuary, S. Dak., created pursuant to the provisions of the act of June 5, 1920 (41 Stat. 986), as amended. A locator shall have the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: *Provided, however,* That the mining operations herein authorized shall be subject to such rules and regulations as the Secretary of Agriculture may deem necessary in furtherance of the purposes for which the said sanctuary was established: *Provided further,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the marking rules and timber sale practices applicable to the Harney National Forest, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development: *Provided further,* That the Secretary of Agriculture in his discretion may prohibit the location of mining claims within 660 feet of any Federal, State, or county road, and within such other areas where the location of mining claims would not be in the public interest: *And provided further,* That no patent shall be issued by the United States on any location filed pursuant to the authority contained in this act.

With the following committee amendment:

On page 3, beginning with line 6, add the following:

"SEC. 2. To facilitate administration for the purpose for which the sanctuary has been established, the western boundary of the sanctuary lying north of Custer State Park is hereby redefined as follows:

"Beginning at the east quarter corner of section 7, township 2 south, range 5 east, Black Hills meridian, thence south along said section line to its intersection with a line 300 feet north of the Horse Thief Lake Road, thence southwesterly along a line 300 feet northwesterly from the center line of said road and running approximately parallel thereto to the intersection of said road with United States Highway 85A, thence southerly along a line 300 feet west of United States Highway 85A, and approximately parallel thereto to the present south boundary of said sanctuary in section 3 south, range 4 east, Black Hills meridian."

Mr. KEAN (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. CASE of South Dakota asked and was given permission to revise and extend his remarks.)

SPECIAL ORDER GRANTED

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that at the conclusion of the regular business of the day I may be allotted 5 minutes under a special order.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

AMENDMENT TO CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

Mr. REES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"SECTION 1. (a) Any officer or employee to whom this act applies who shall have attained or shall hereafter attain the age of 60 years and have rendered at least 30 years of service computed as prescribed in section 5 of this act, or who shall have attained or shall hereafter attain the age of 62 years and have rendered at least 15 years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this act.

"(b) Any officer or employee to whom this act applies who shall have attained or shall hereafter attain the age of 55 years and have rendered at least 30 years of service computed as prescribed in section 5 of this act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this act, reduced by one-half of 1 percent for each full month such officer or employee is under the age of 60 years.

"(c) Any officer or employee to whom this act applies, after having rendered at least 25 years of service computed as prescribed in section 5 of this act, (1) upon involuntary separation from the service not be removal for cause on charges of misconduct or delinquency, or (2) upon voluntary separation from the service if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been so involuntarily separated from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation, shall be paid an immediate life annuity computed as provided in section 4 of this act reduced by one-fourth of 1 percent for each full month such officer or employee is under the age of 60 years. This subsection shall become effective July 1, 1947."

SEC. 2. Section 2 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 2. (a) Except as provided in section 204 of the act of June 30, 1932 (47 Stat. 404), and section 3 of the act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this act applies who shall have completed 15 years of service computed as provided in section 5 of this act shall, on the last day of the month in which he attains the age of 70 years, or completes 15 years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least 60 days in advance thereof: *Provided,* That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said 60-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this act and who has reached the age of 60 years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided,* That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further,* That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

SEC. 3. (a) Paragraph (6) of section 3A of the act of May 29, 1930, as amended, is amended to read as follows:

"(6) (a) In the case of a Member of Congress who becomes separated from the service before he completes an aggregate of 6 years of service as a Member of Congress, and who is not retired for disability, the total amount deducted from his basic salary, pay, or compensation or deposited by him as a Member of Congress shall be returned to such Member of Congress together with interest at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter compounded on December 31 of each year, to date of separation. No such Member of Congress shall thereafter become eligible to receive an annuity as provided in this section unless the amounts so returned are redeposited with interest at 4 percent compounded on December 31 of each year, but interest shall not be required covering any period of separation from the service.

"(b) In case a Member of Congress shall die prior to retirement the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter, compounded on December 31 of each year to date of death shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

"(c) In case a former Member of Congress receiving an annuity under this section shall die without having received in purchasable annuities an amount equal to the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter, compounded on December 31 of each year to date of retirement, the difference and/or any accrued annuity due shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12."

(b) Except as provided in this section the amendments made by this act shall not apply to any person subject to the provisions of section 3A of the act of May 29, 1930, as amended, and the rights and obligations of such person under such act shall continue as though this act had not been enacted.

(c) Section 3 (a) of the act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this act by the act of July 13, 1937, serving in such position on the effective date of this act, may give notice of his desire to come within the purview of this act at any time prior to July 1, 1948."

Sec. 4. Section 4 of the act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 4. (a) The annuity of an officer or employee retired under this act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That if deposit or redeposit under section 7, 9, or 12 (b) hereof has not been made, the annuity for the period or periods of service covered by the deposit or redeposit shall be in an amount equal to 1 percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of such service: *Provided further*, That in no case shall the annuity exceed an amount equal to 90 percent of the highest average annual basic salary, pay or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity equal to 90 percent of such life annuity and an annuity after his death payable to his surviving widow equal to 50 percent of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's

attainment of age 60, whichever is the later, and shall terminate upon her death.

"(c) Any officer or employee in good health retiring under the provisions of section 1 or 2 of this act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 percent of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 percent of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than 5 years younger than the annuitant; 85 percent if the survivor annuitant is 5 but less than 10 years younger; 80 percent if the survivor annuitant is 10 but less than 15 years younger; 75 percent if the survivor annuitant is 15 but less than 20 years younger; 70 percent if the survivor annuitant is 20 but less than 25 years younger; and 60 percent if the survivor annuitant is 25 or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission.

"(d) For the purpose of this act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(e) The term 'basic salary, pay, or compensation,' wherever used in this act, shall be so construed as to exclude from the operation of the act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

Sec. 5. The first paragraph of section 5 of the act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than 5 years exclusive of such military or naval service before he shall be eligible for annuity under this act. Nothing in this act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

Sec. 6. The first three paragraphs of section 6 of the act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this act applies who shall have served for a total period of not less than 5 years computed as provided in section 5 of this act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within 6 months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within 6 months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than 6 months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within 6 months after the effective date of this act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within 6 months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within 1 year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of 1 year from the date of such retirement and annually thereafter, until reaching age 60, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age 60 and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding 1 year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of dis-

ability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this act, he shall be considered as having been separated from the service within the meaning of section 7 of this act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

SEC. 7. Section 7 of the act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 7. (a) Should any officer or employee to whom this act applies after having rendered 5 years of service, computed as prescribed in section 5 of this act, but less than 10 years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of 62 years, or the age at separation if beyond the age of 62 computed as provided in section 4 (a) of this act, or (B) the total amount credited to his individual account together with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of separation.

"(b) Should any officer or employee to whom this act applies, after having rendered at least 10 years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of 62 years.

"(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this act be redeposited by such officer or employee before he may receive full credit for the service covered by the refund."

SEC. 8. Section 8 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this act shall have been retired on annuity under the provisions of the act of May 22, 1920, as amended, or section 8 (a) of the act of June 16, 1933, the annuity shall be increased, effective on the first day of the fourth month following the month in which this act is enacted by 25 percent or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to effective date of this act and have acquired title to annuity under section 7 of the act of May 29, 1930, as amended, beginning after such effective date, such annuity shall be computed in accordance with section 4 of this act but any reduction applicable thereto shall be determined as if this act had not been enacted: *Provided*, That any such officer or employee may elect to forfeit his right to such annuity and elect in lieu thereof to receive the benefits provided by section 7 of this act."

SEC. 9. Section 9 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within purview of this act may deposit to the credit of the 'civil-service retirement and disability fund' a sum equal to 2½ per centum of this basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ percent of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 percent of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period in 1948, and also 6 percent thereafter, covering service during which no deductions were withheld for deposit in the said fund. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Upon making such deposit, the officer or employee shall be entitled to full credit for the period or periods of service involved. *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

SEC. 10. The first two paragraphs of section 10 of the act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 5 percent of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period in 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 6 percent of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 percent of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 percent per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this act. The life annuity shall consist of \$7 for each \$100 in case the officer or employee has not reached age 60; \$8 if he has reached age 60 but not age 65; \$9 if he has reached age 65 but not age 70; and \$10 if he has reached age 70. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 percent per annum to date of death or separation compounded on December 31 of each year shall be refunded in accordance with the provisions of section 12 of this act."

SEC. 11. Section 12 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the 'civil-service retirement and disability fund' created by the act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this act applies who shall become absolutely separated from the service before he shall have completed an aggregate of 5 years of service computed as prescribed in section 5 of this act, or who shall be transferred to a position not within the purview of this act, the amount credited to his individual account together with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than 1 year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this act, be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.

"(c) (1) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age 60, whichever is the later, equal to 50 percent of the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: *Provided*, That such payments shall cease upon death of the widow.

"(2) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act, or after having retired subsequent to the effective date of this act under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity equal to 50 percent of the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. Such annuity shall be terminable upon the death of such widow, her attainment of age 60, or upon termination of dependency of the last surviving child by reason of (A) his attaining the age of 18 years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his dependency shall terminate only upon his death, marriage, or recovery from such disability.

"(d) As used in this act—

"(1) The term 'widow' means a surviving wife of an individual, who either (A) shall have been married to such individual for at least five years immediately preceding his death, or (B) is the mother of issue by such marriage.

"(2) The term 'child' means an unmarried child, including a dependent stepchild or an adopted child, under the age of 18 years, or an unmarried child who because of physical or mental disability is incapable of self-support.

"(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not

SECTION 8

This section provides certain benefits for retired employees already on the annuity rolls. The annuity of each such person would be increased, effective on the 1st day of the fourth month following the date of enactment by 25 percent or \$300, whichever is less, unless the annuitant elects in lieu of such increase to retain his present annuity and to have an amount equal to one-half the amount of his annuity paid to his or her spouse upon the annuitant's death, but the annuity to the spouse may not exceed \$600 per annum. Such amount would be payable during the remainder of the life of the spouse.

This section also provides that a former officer or employee who presently holds a vested title to a future annuity shall retain this right, but he is offered the privilege of forfeiting his annuity and to elect in lieu thereof to receive a return of contributions.

SECTION 9

Section 9 of the present law permits an employee to make deposit in the retirement fund covering periods of service when not subject to the act, and for which he made no contribution. This section continues this privilege but provides that no interest on deposits shall be required, and that no deposit shall be required for military service.

SECTION 10

This section provides for an increase from 5 to 6 percent in employee contributions, beginning with the first pay period in 1948. As regards voluntary contributions made by employees to increase their annuities, the present actuarial factors now used in determining the additional annuity are replaced by simpler specified figures.

SECTION 11

This section amends section 12 of the Retirement Act so as to eliminate the so-called \$1-a-month tontine charge. Provisions relating to the tontine charge appearing in other sections of the act are likewise eliminated.

This section also provides for return of deductions with interest upon separation with less than 5 years' service. No interest is payable if the service covered by the refund aggregates 1 year or less.

Under existing law, deductions are, returnable with interest upon separation with less than 5 years' service, but tontine is withheld in voluntary separation cases, and no interest is allowed for service of 1 year or less.

Subsections (c) and (d) of section 12 as amended by this bill provide survivorship benefits, in the case of employees dying in the service after having served for five or more years. The widow of any such employee would be entitled upon attaining age 60 to receive an annuity terminable upon death equal to one-half the amount of an annuity computed on the basis of the salary and years of service of the employee.

Section 11 of the bill also provides for a return of deductions with interest, as under existing law, to a beneficiary in case of death of an employee who leaves no survivor entitled to annuity and a return of deductions without interest if he leaves a qualified survivor.

Where an annuitant who has not elected a joint and survivorship annuity dies without having received in annuities an amount equal to the total amount credited to his individual account with interest, the difference and any accrued annuity will be returned to his beneficiary. Under existing law the amount returnable in such case is the difference between the amount credited to the employee's account with interest and the amount chargeable to the employee as his portion of the annuity purchased with his contributions.

In all cases the interest rate on amounts credited to employee accounts will be reduced from 4 to 3 percent with respect to

periods after December 31, 1947, thus affecting amounts returnable in the case of deceased employees and annuitants.

SECTION 12

This proposed change is for administrative expediency only. It provides that annuities shall accrue monthly, thereby eliminating the necessity of any settlement covering a small sum for a fractional part of a month.

SECTION 13

This section will allow the Civil Service Commission to make an age and optional annuity retroactively payable to the first of the month following termination of the employee's salary if he was eligible for annuity at that point. At present, the annuity cannot begin until actual separation occurs, and some employees who have been in leave-without-pay status have a period when neither salary nor annuity is payable. This will affect only a few meritorious cases.

SECTION 14

This will repeal section 14 of the present act, which section no longer serves any purpose.

SECTION 15

This section provides that the act shall be effective on the first day of the fourth month following approval, except as otherwise provided.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York, who has shown considerable interest in this legislation.

Mr. JAVITS. The committee has not corrected all problems connected with the civil-service-retirement system for Federal employees, but it has made a number of desirable reforms. Therefore, I ask support for this bill and trust that it will pass. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Provision has now been made by this bill to look after the contributions to the retirement fund of Federal employees who have had less than 5 years of service; and it is also possible under the bill for such employees who have had more than 5, but less than 10 years of service to take their choice of accepting retirement benefits or to withdraw their retirement-fund contribution. This is certainly a change for the better, as much hardship has been caused up to now by the previous inflexible provision of the law. Many employees who have been let out as a result of the reduction of the wartime civilian establishment will now be able to recoup substantial amounts in retirement contributions which they badly need.

The increase in annuities provided by the bill will be very welcome, especially to present annuitants who receive 25 percent more, or \$300 per annum, whichever is the lesser, in view of the ascending cost of living. The committee has not seen fit to go as far as we had hoped it would in respect to retirement age and other retirement opportunities. Progress has been made, however, and there is opportunity for still further liberalization in the future.

Mr. REES. I appreciate the gentleman's support of the bill.

Mr. FORAND. Mr. Speaker, I yield myself 5 minutes. If the chairman of the committee will answer a few questions, I do not believe I will use my 5 minutes. I am particularly interested in section 1 of the bill which apparently is similar to the bill that I introduced this year, to extend the so-called Forand amendment, which is Public Law 638 of the Seventy-ninth Congress.

Mr. REES. That is correct.

Mr. FORAND. Under Public Law 638 there was a reduction of 2 percent per year for those who retired before they had reached the ordinary retirement age. From what I understand, this reduction has been raised to 3 percent. Is that correct?

Mr. REES. That is correct.

Mr. FORAND. Will the passage of this bill make retroactive the provisions of Public Law 638, so that there will be no gap from the expiration date of Public Law 638, which was June 30 of this year?

Mr. REES. That is the intent of the bill.

Mr. FORAND. I want to be sure the RECORD shows that, so there will be no question about it. I thank the gentleman for giving me that information.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I regard this as such an important matter, and I am receiving so many inquiries, that I feel compelled to make this statement:

With the close of the war—Seventy-ninth Congress—by resolution there was established a Select Committee on Post-war Military Policy. This committee appointed by the Speaker consisted of seven Members of the House at large, seven of the Naval Affairs Committee, and seven from the Military Affairs Committee, with Hon. Clifton A. Woodrum, of Virginia, as chairman. Among matters studied by this select committee was the subject of universal military training. Extensive hearings were conducted for 14 days during most of the month of June 1945 in both morning and afternoon sessions and more than 150 witnesses were heard on the subject matter. Of these, the committee heard a majority who were in opposition. Every phase of the subject was covered. In conclusion the select committee, by an overwhelming vote, recommended a system of universal military training. The printed hearings by this select committee consumed over 600 pages.

In November and December of 1945, the House Committee on Military Affairs conducted hearings on current bills covering this subject over a period of 23 days, hearing in all not less than 65 witnesses from among those both favoring and in opposition thereto. The printed hearings on these meetings consume over 800 pages.

In December 1946, the President's Advisory Commission on Universal Military Training was appointed under the chairmanship of Dr. Karl Compton and, notwithstanding statements to the contrary, among members of the Commission were those who had been in opposition to universal military training. This Commission conducted hearings over a period of 5 months, during the course of which, in excess of 200 witnesses were heard. On the statement of Dr. Compton, the majority of those heard were among those from the opposition. The unanimous report published in early June of this year, consuming 450 pages, in The Program for National Security, is now public property.

Following the report of the President's Advisory Commission in early June this year, and since that time, 28 witnesses have been heard either before the full committee or Subcommittee No. 2 of the Armed Services Committee. Among these were Dr. Compton and three other members of the President's Advisory Commission, and of this total number, 16 were selected from among organizations in opposition to the proposal. On Saturday last, July 19, Subcommittee No. 2, by overwhelming action, voted to report favorably H. R. 4278 to the full committee. The gentleman from New Jersey [Mr. Towle], chairman of this subcommittee, is placing in the RECORD today for the information of all Members of the House an analysis of this bill, and a meeting of the full Committee on Armed Services has been called for Friday morning, July 25, at 9 a. m., to vote upon this report. Should this measure be reported favorably to the House, I wish to make it perfectly clear here and now that there is no desire whatever on my part for House action on this measure at the present time, the opinions of many organizations, the departments and the President notwithstanding. Thus, for the information of the House, and the many organizations pressing for action now, the leadership on both sides of the House is relieved of any responsibility in this connection at the present time; I willingly accept it. In view of the great scope of all the hearings referred to, this action on the part of the Armed Services Committee, and I am sure a majority agree, will be taken in the one thought of placing squarely before the American people during the recess one measure, H. R. 4278, on the subject which represents the best thought of all the various proposals in the past with the necessary refinements suggested by the President's Advisory Commission, and only by such action would I, as chairman of the Armed Services Committee, feel that I had done my duty as a Representative in Congress and as an American.

Following is a list of all witnesses by name and organization, in order of their appearances, who have appeared before the Congress on the subject of universal military training:

Hon. Joseph C. Grew, former Acting Secretary of State.

Col. Jay Cooke, president of the Citizens Committee for Military Training for Young Men, Inc.

Mrs. Ernesta Barlow, vice president, the Citizens Committee for Military Training for Young Men, Inc.

Statements by Kathleen Norris and Margaret Cushman Banning were filed for the record by Mrs. Barlow.

Mrs. Barbara Skau, domestic nurse, Jackson Heights, Queens, N. Y.

Mr. Philip A. Carroll, director, the Citizens Committee for Military Training for Young Men, Inc.

Dr. Franklin Clarke Frye, president, United Lutheran Church of America.

Captain Paul Hammond, director, Citizens Committee for Military Training for Young Men, Inc.

Mrs. John Weinstein, president, New York City Federation of Women's Clubs.

Letter from Sgt. John D. Scarlett, Liege, Belgium, was read into the record.

Mr. Charles G. Bolte, chairman, American Veterans' Committee.

Maj. George Fielding Eliot, commentator, Columbia Broadcasting System.

Col. John Thomas Taylor, director, national legislative committee, the American Legion.

Mrs. Lorena Hahn, former national president of American Legion Auxiliary and present chairman of the Legion's postwar committee.

Maj. Gen. Ellard Walsh, president, National Guard Association of the United States.

Hon. Edward Martin, Senator, State of Pennsylvania.

Omar B. Ketchum, national legislative representative, Veterans of Foreign Wars of the United States.

Col. William B. Tuttle, legislative chairman, board of trustees, Reserve Officers Association of the United States.

Mr. William B. Mathews, editor, Arizona Daily Star, Tucson, Ariz.

Mrs. Willard Steele, chaplain general, Daughters of the American Revolution.

Vernon A. Eagle, honorably discharged commando.

Dr. Harrop A. Freeman, professor of law, College of William and Mary, Williamsburg, Va., as read by Dr. Theodore A. Paullin, assistant professor, Swathmore College, Swathmore, Pa.

Archibald G. Thatcher, Attorney, New York City.

Dr. A. J. Brumbaugh, vice president, American Council on Education.

Dr. William J. Miller, president, University of Detroit, representing Michigan Council to Oppose Peacetime Conscription.

Judge William Hastie, National Association for Advancement of Colored People.

Dr. Gould Wickey, executive secretary, national commission on Christian higher education, Association of American Colleges.

Dr. John L. Davis, executive secretary, board of higher education, Disciples of Christ.

Mr. Benjamin C. Marsh, executive secretary, People's Lobby, Inc.

Dr. James Mendenhall, chairman, legislative committee, department of supervision and curriculum development of National Education Association.

Dr. William Heard Kilpatrick, Liberal Party of New York State.

Mr. Mark Wiseman, commander, Willard Straight Post, American Legion.

Dr. Walter E. Hager, American Association of Teachers Colleges.

Statements from Dr. John Purdy, chairman, Ohio College; Mr. Robert Forsberg, president of student body of Wooster College; and Mary Ann Brown, chairman of public opinions committee of Wooster College, Wooster, Ohio, were filed for the record by Dr. Hager.

Letter from Mr. G. O. Aubrey, chairman, committee on work with high-school youth, National Council of the Young Men's Christian Association.

Dr. Herbert J. Burghstahler, president, Ohio Wesleyan University, Delaware, Ohio, testifying for the Federal Council of Churches of Christ in America.

Very Rev. Msgr. Howard J. Carroll, general secretary, National Catholic Welfare Conference.

Mr. Huber F. Klemme, executive secretary of the commission on Christian social action, Evangelical and Reformed Church.

Dr. Ganse Little, pastor, Broad Street Presbyterian Church, Columbus, Ohio.

Mrs. Glen L. Swiggett, legislative representative, National Congress of Parents and Teachers.

Dr. Robert Gordis, president, Rabbinical Assembly of America.

Dr. Joseph Zeitlin, Rabbinical Assembly of America.

Mr. Byrl A. Whitney, director of education and research and assistant general counsel, Brotherhood of Railroad Trainmen.

Rt. Rev. Herman R. Page, bishop, diocese of northern Michigan, Episcopal Church.

Mr. D. Robert Yarnell, vice chairman, American Friends Service Committee.

Rev. T. T. Brumbaugh, executive secretary, Detroit Council of Churches.

Mr. Ensworth Reisner, representing citizens committee of Buffalo, Erie County, and western New York on Peacetime Conscription.

Dr. Karl T. Compton, president, Massachusetts Institute of Technology.

Mrs. Thomasina W. Johnson, legislative representative, national nonpartisan council on public affairs of Alpha Kappa Alpha Sorority.

Mr. Ernest Angell, representing Civil Liberties Union.

Dr. Paul E. Elicker, executive secretary, National Association of Secondary-School Principals of National Education Association.

Rev. F. W. Burnham, of the Christian Churches of America.

Mr. Frederick J. Roy, national vice commander, Catholic War Veterans Association.

Mr. Roscoe S. Conkling, attorney, New York City.

Mr. Norman Thomas, president, Postwar World Council.

Prof. Alonzo F. Myers, chairman, National Council Against Peacetime Conscription Now.

Mr. Milton Friedman, free labor committee, Workers Defense League.

Rev. Phillips Packer, Elliott, chairman of board of Presbyterian Tribune.

Dr. Edward C. Elliott, president, Purdue University, Lafayette, Ind.

Rev. Edwin F. Lee, Methodist bishop and director of General Commission for Army and Navy Chaplains.

Mr. Arthur L. Williston, retired educator and engineer, Dedham, Mass.

Mr. Stanley J. Quinn, American Defense Society, Inc.

Mr. Leslie J. Tompkins, American Defense Society, Inc.

Brig. Gen. Albert L. Cox, retired, Washington, D. C.

Brig. Gen. Henry I. Reilly, retired.

Dr. Charles Clayton Morrison, editor, Christian Century, representing the Chicago Committee to Oppose Conscription.

Mrs. Mary Dingman, member, Women's Committee to Oppose Conscription.

Mrs. Charles D. Rockel, member, Women's Committee to Oppose Conscription.

Letters from Maj. Gen. Norman T. Kirk, Surgeon General of the Army (retired), and Vice Admiral Ross T. McIntire, Surgeon General of the Navy (retired), with reference to Mrs. Rockel's testimony.

Mrs. Johanna M. Lindlof, member, Women's Committee to Oppose Conscription.

Mrs. Annie B. Whitner, Roanoke, Va.

Miss Elizabeth A. Sniart, National Woman's Christian Temperance Union.

Hon. Josephus Daniels, former Secretary of the Navy, editor, the News and Observer, Raleigh, N. C.

Mr. John W. Hershey, Downingtown, Pa.
Rev. Donald B. Cloward, executive secretary, Council on Christian Social Progress, Northern Baptist Convention.

Mr. Harold S. Bender, assistant secretary, the Mennonite Central Committee.

Mr. B. F. McLaurin, international field organizer, Brotherhood of Sleeping Car Porters.

Dr. Leslie W. Kindred, Greater Philadelphia Committee Against Wartime Enactment of Peacetime Conscription.

Mr. William F. Saunders, High School Teachers Association of New York City, Inc.

Dr. Raymond Walters, chairman, Association of American Colleges.

Dr. Daniel L. Marsh, president, Boston University, member Association of American Colleges.

Dr. Guy E. Snively, executive director, Association of American Colleges.

Mr. Walter Johnson, chairman, national legislative committee, Military Order of the Liberty Bell.

Dr. Donald DuShane, secretary, Commission for the Defense of Democracy Through Education, National Education Association.

Hon. Maury Maverick, Chairman, Smaller War Plants Corporation.

Mr. Ralph McDonald, executive secretary, Department of Higher Education, National Education Association.

Resolution from the State of North Carolina, with reference to universal military training.

Letter from the Citizens Medical Reference Bureau, Inc., with reference to universal military training.

Miss Dorothy K. Funn, labor secretary, National Negro Congress.

Mr. Eric Hass, Socialist Labor Party of America.

Dr. Ralph E. Himstead, American Association of University Professors.

Mr. Otto Steele, National Conference of Methodist Youth Fellowship.

Mr. H. W. Brown, president, International Association of Machinists.

Rev. Kenneth L. Patton, pastor of the First Unitarian Society of Madison, Wis., representing the Wisconsin Council of Churches.

Dr. Paul H. Bowman, president, Bridge-water College, and vice chairman, Brethren Service Committee.

Mr. Charles C. Rohrer, dairy farmer, Manchester, Ind.

Dr. S. V. Sanford, chancellor, University System of Georgia.

Mrs. Dorothy Groeling, secretary, National Board for International Education, Young Women's Christian Association of the United States.

Mr. Fred Bailey, legislative counsel, the National Grange.

Mr. Edward C. M. Richards, representing the War Resisters League in Opposition to Peacetime Conscription.

Statement by Dr. Evan W. Thomas, chairman, War Resisters League, read for the record by Mr. Richards.

Mr. Russell Smith, legislative secretary, National Farmers Union.

Mr. Homer E. Woodbridge, representing Middletown Committee Against Wartime Passage of Peacetime Conscription.

Mr. Walter H. Uphoff, secretary of the Wisconsin Committee Against Peacetime Conscription.

Mr. Royal C. Stephens, Netcong, N. J.

Mr. Lewis G. Hines, national legislative representative of American Federation of Labor.

Mrs. Mary Farquharson, representing Women's International League and the Oregon and Washington State Committees Opposing Peacetime Conscription.

Mr. R. J. Thomas, president, United Automobile Workers (as read by Loren Grey).

Mr. Vinal H. Tibbetts, representing American Education Fellowship.

Mr. Nathan E. Cowan, chairman, legislative committee, Congress of Industrial Organizations.

Mr. R. B. Marston, director, legislative, Federal relations division, National Education Association.

Communication from American Association for Health, Physical Education, and Recreation, National Education Association.

Dr. Clinton N. Howard, general superintendent of International Reform Federation.

Mr. Eugene C. Pulliam, editor and publisher, Indianapolis, Ind.

Dr. Douglas Southall Freeman, editor, the Richmond (Va.) News Leader.

Mr. Millard W. Rice, national service director, Disabled American Veterans.

Brig. Gen. John W. Mahan, chairman, national defense committee, Disabled American Veterans.

Communication from Mr. Knowlton Durham, chairman, special committee on universal military training of the Association of Ex-Members of Squadron A.

Mr. Frank L. Weil, president, National Jewish Welfare Board.

Mr. Chester J. Nicklas, veteran of both World Wars.

Mrs. Helen W. Zbikowski, member, house of representatives, Connecticut State Legislature.

Mr. Bernard H. Sandler, chairman, twenty-fifth anniversary, reunion committee, Plattsburg, N. Y.

Mr. Henry Rood, author.

Dr. Gibb Gilchrist, president, Agricultural and Mechanical College of Texas.

Mr. Dunlap C. Clark, chairman, national defense committee, Chamber of Commerce of the United States.

Mr. Richard L. Feldman, teacher at Roosevelt High School.

Mr. Carl McIntire, vice president, American Council of Christian Churches.

Mr. H. McAllister Griffiths, general secretary, American Council of Christian Churches.

Hon. Henry L. Stimson, Secretary of War.

Letter from Gen. Dwight D. Eisenhower.

Brig. Gen. John McA. Palmer, United States Army, retired.

Brig. Gen. Luther D. Miller, Chief of Chaplains, United States Army.

Maj. Gen. William F. Tompkins, Director, Special Planning Division, War Department Special Staff.

Dr. Daniel A. Poling, editor, the Christian Herald.

Mr. Ben L. Johnson, honorably discharged Marine Corps corporal.

Mr. William Kent Montroy, honorably discharged shipfitter, first class.

Hon. James Forrestal, Secretary of the Navy.

Letter from Fleet Adm. C. W. Nimitz, United States Navy.

Letter from Admiral William F. Halsey, United States Navy.

Vice Adm. Aubrey W. Fitch, United States Navy, Chief of Naval Operations (Air).

Vice Adm. Randall Jacobs, United States Navy, Chief of Naval Personnel.

Lt. Gen. Ira Eaker, Chief of Air Staff, United States Army (retired).

Gen. A. A. Vandegrift, Commandant, United States Marine Corps.

Fleet Adm. Ernest J. King, United States Navy, Commander in Chief, United States Fleet (retired).

General of the Army George C. Marshall, Secretary of State.

Hon. Earl R. Lewis, Representative in Congress from State of Ohio.

Hon. Charles R. Savage, former Representative in Congress from State of Washington.

Mrs. Frances P. Bolton, Representative in Congress from State of Ohio.

Hon. Compton I. White, former Representative in Congress from State of Idaho.

Hon. Everett Dirksen, Representative in Congress from State of Illinois.

Hon. Emanuel Celler, Representative in Congress from State of New York.

Hon. Jerry Voorhis, former Representative in Congress from State of California.

Hon. John E. Fogarty, Representative in Congress from State of Rhode Island.

Hon. Robert P. Patterson, Secretary of War, General of the Army Dwight D. Eisenhower, commanding general, United States forces, European theater, and Chief of Staff.

Fleet Adm. E. J. King, Chief of Naval Operations (retired).

Mrs. LaFell Dickinson, president, General Federation of Women's Clubs.

Mrs. Lula E. Bachman, president, National Association of Women Lawyers.

Mrs. Ernesta Barlow, vice president, Citizens' Committee and National Women's Chairman.

Hon. James W. Wadsworth, Representative in Congress from New York.

George W. McClelland, president, University of Pennsylvania.

Dr. George F. Zook, president, American Council on Education.

Benjamin C. Marsh, executive secretary, People's Lobby, Inc.

Dr. Karl T. Compton, president, Massachusetts Institute of Technology.

Omar B. Ketchum, national legislative representative, Veterans of Foreign Wars.

Millard Rice, national legislative representative, Disabled American Veterans.

Dr. Frank B. Gigliotti, national adjutant, Regular Veterans Association.

Hon. James Forrestal, Secretary of the Navy.

Dr. John T. Tigert, Dr. Frank L. Eversull, and Dr. J. W. Harrelson, representing Land-Grant Colleges Association.

Former Lt. Gen. William S. Knudsen.

S. Stanwood Menken.

Miss Dorothy Detzer, national secretary, the Women's International League.

Donald DuShane, secretary, the National Commission for the Defense of Democracy through Education.

Resolution adopted by American Legion.

Statement of Dunlap C. Clark, representing the Chamber of Commerce of the United States.

Mrs. D. Leigh Colvin, president, National Woman's Christian Temperance Union.

Miss Elizabeth Smart, Woman's Christian Temperance Union.

Dr. James B. Conant, president of Harvard University.

Paul E. Elicker, executive secretary, Legislative Committee of National Association of Secondary School Principals.

Ralph E. Himstead, general secretary, American Association of University Professors.

Dean Virginia Gildersleeve, Barnard College.

Charles R. Hook, president, the American Rolling Mill Co.

J. Henry Scattergood, representing the Friends' Committee on National Legislation.

Carl McIntire, vice president of the American Council of Christian Churches.

Ralph McDonald, representing the National Education Association.

H. S. Bender, assistant secretary, Mennonite Central Committee.

Martin H. Miller, national legislative representative, Brotherhood of Railroad Trainmen.

Dr. Allen Bates, Westinghouse Electric & Manufacturing Co.

Dr. Gould Wickey, executive secretary, National Commission on Christian Higher Education of Association of American Colleges.

Rev. Charles F. Bopp, Jr., secretary, Commission on World Peace of the Methodist Church.

Edward T. McCaffery, national commander, Catholic War Veterans.

Eugene Meyer, publisher, the Washington Post.

Mr. McCaffery (recalled).

Lt. Gen. Ray McLain, United States Army.

Brig. Gen. Luther D. Miller, Chief of Chaplains, United States Army.

Lewis G. Hines, legislative representative, American Federation of Labor.

Nathan E. Cowan, legislative director, and Meyer Bernstein, director of veterans' legislation, Congress of Industrial Organizations.

William V. Damron, legislative representative, International Association of Machinists.
 Maj. Gen. Ray E. Porter, Special Planning Division, War Department.

Maj. Gen. I. H. Edwards, Assistant Chief of Staff, G-3.

Maj. Gen. Willard S. Paul, Assistant Chief of Staff, G-1.

Maj. Gen. George J. Richards, Budget Officer for the War Department.

Pvt. George L. Mark, Camp Kiimer, N. J.
 Dr. John W. Rustin, pastor, Mount Vernon Methodist Church.

Rev. Charles R. Beil, Jr., representing Wisconsin Committee Against Peacetime Conscription.

Mrs. Emma B. Swiggett, representing National Congress of Parents and Teachers.

Vice Adm. Louis Denfeld, Commander in Chief, Pacific Fleet.

Capt. W. R. Terrell, United States Navy.
 Lt. Col. T. B. Hughes, the Marine Corps.
 Rear Adm. Ezra G. Alien, Budget Officer, United States Navy.

Hon. John H. Steele, former national commander, the American Legion.

Lt. Martin Buckner.
 Sgt. Eddie Burns.
 Captain Moran.

S. Perry Brown, chairman, the American Legion National Committee on National Defense.

Brig. Gen. E. A. Evans, executive secretary, Reserve Officers Association of the United States.

Maj. Gen. Milton J. Reckord, chairman, Legislative Committee of the National Guard Association.

Sgt. James F. Donnelly.
 Dr. Karl T. Compton, Chairman, President's Advisory Commission.

Dr. Edmund Walsh, of Georgetown University.

Mr. Truman Gibson, member, President's Advisory Commission.

Dr. Daniel Poling, editor of the Christian Herald.

Former Justice Owen J. Roberts, Citizens Emergency Committee.

Mr. J. Henry Scattergood, Greater Philadelphia Council Against Conscription.

Mrs. Alexander Stewart, cochairman, Women's Committee to Oppose Conscription.

Mrs. Norton H. Pearl, president, American Legion Women's Auxiliary.

Mr. William Gausmann, Socialist Party, U. S. A.

Mr. Edwin Lupow, Young Progressive Citizens of America.

Mr. Richard Boiling, vice chairman, American Veterans' Committee.

Mr. S. Perry Brown, chairman, American Legion Security Committee.

Rabbi Aaron Opher, Synagogue Council of America.

Miss Elizabeth Smart, director, Woman's Christian Temperance League.

Father Dan Laning, of Mission, Tex.
 Mr. Kermit Eby, national headquarters, CIO.

Dr. Blake Van Leer, president, Georgia School of Technology.

Mr. J. M. Dawson, executive director, Baptist of the United States.

Mr. Jesse P. Bogue, secretary, American Association of Junior Colleges.

Rabbi Michael Aronson, of Cincinnati, DAV.

Hon. Adam Clayton Powell, Member of Congress.

Mr. Norman Thomas, chairman, Post War World Council.

Dr. A. Allan Bates, of Chicago.

Mr. Omar B. Ketcham, legislative director, Veterans of Foreign Wars.

Lt. Gen. J. Lawton Collins, U. S. A., Chief of Army Information.

Capt. Thomas F. Darden, U. S. N., Bureau of Naval Personnel.

Lt. Col. William J. Van Ryzin, U. S. M. C., headquarters Marine Corps.

Rev. William J. Mather; Northern Baptists of America.

Mr. REES. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARNESS of Indiana. Mr. Speaker, I deem it necessary, again, to call the attention of the House, activities of departments of Government, propagandizing for legislation pending before this body. The subcommittee investigating publicity and propaganda of which I am chairman has just concluded hearings involving the War Department and its use of public funds in a drive for the enactment of universal military training. There has been much public indignation regarding the manner in which the military group have been attempting to sell universal military training to the people of this country, with the obvious intent that pressure should be put upon the Congress to enact legislation that will so vitally affect every home and the lives of all of the youth of this Nation.

Civilians were employed by the Secretary of War, as consultants on military training. Evidence before the committee reveals that the primary duty of these so-called consultants was to travel about the country, selling groups—important groups—on what the War Department has claimed to be an emergency requiring every boy in the country to be trained for military service.

In testimony before the committee, the Assistant Secretary of War, Howard C. Petersen, testified that the purpose of employing civilian consultants was "to sell the program to the public, with the hope that the public would sell it to the Congress." We have heard and read much, Mr. Speaker, of Government lobbies. Here we have the frank admission of the Assistant Secretary of War, without reservation that the War Department deliberately set out to sell the people who, in turn, would pressure the Congress. This activity went far beyond the duty of the War Department to inform the people of the country and the Congress, and entered into the field of propaganda—propaganda in support of legislation.

One of the civilians employed with the War Department was Alan Coutts. Mr. Coutts toured the country, at taxpayers' expense, conducting radio panels and speaking to groups wherever and whenever they could be assembled. The radio panels were topheavy with persons selected to speak for universal military training.

Material supporting the legislation was prepared at the War Department by Mr. Coutts for distribution to participants in the radio discussions.

Evidence before the committee reveals that, on March 5, 1947, over Station WIP,

in Philadelphia, Pa., Mr. Coutts asked that the listening audience write to the radio station; and that the letters received would be forwarded to proper congressional authorities. I might say, Mr. Speaker, Mr. Coutts is no longer with the War Department.

Another of the War Department civilian consultants was Mrs. Arthur Woods. Mrs. Woods, a former lieutenant colonel in the WAC's, also, traveled throughout the country, at Government expense, speaking on behalf of universal military training. She was particularly interested in influencing the women and parents of the country, on the virtues of compulsory military training.

Mrs. Woods communicated with others supporting the War Department program, advising that congressional action would be taken during the present session, and urged that support of the program be intensified. A typical statement by Mrs. Woods was contained in a letter to Mrs. Holt, of Portland, Maine, April 23, 1947, referring to universal military training. She stated:

We believe that the question will come up for definite congressional action this summer and, therefore, we are anxious to stimulate activity and local support over a wide area and as quickly as possible.

Mrs. Woods made contact with many organizations throughout the country, seeking to have the opportunity to discuss the pending legislation. She worked, particularly, with church groups, Girl Scouts, Legion auxiliaries, and known organizations that had been formed to lobby for the universal military training program.

In a speech which Mrs. Woods made in Hollywood, Calif., June 12, to the women of the Los Angeles Chamber of Commerce, she stated, in part:

I believe that every American parent should demand universal military training.

The War Department has prepared a propaganda motion picture titled "The Plan for Peace." Mrs. Woods, who is a member of the national board of the Girl Scouts of America, wrote to the members of the board—and, again, I am quoting:

I am hoping it will not be too much to ask you to urge any organization with which you are connected to arrange to show this film at their meetings.

Mrs. Woods' activities on behalf of universal military training with the Girl Scouts of America is quite exhaustive. Through this organization, she attempted to sell the advantages to the youth of the country, as they related to the question of morals and spiritual guidance. Preparation of the material for the organizations which I have referred to—which were lobbying for the universal military training bill—was brought out at the hearings in many instances. One in particular was correspondence between Mrs. Woods and Mr. Justice Owen Roberts, who now heads the committee in support of universal military training. Mrs. Woods advised Mr. Justice Roberts that she would prepare any material he might want in his work with that committee.

In addition to the activities of Mrs. Woods, with the groups to which I have

already referred, she was active in preparing support of the plan for the President's Commission, which was appointed to make a study of this subject. Mrs. Woods suggested witnesses to appear before the Commission, and evidence before our committee reveals that she made reports on this activity, to officers in the War Department. A memorandum addressed to Colonel Huntley—and referring to a report which Mrs. Woods had received, as to the impression her witnesses had made upon the Commission—reads as follows:

I thought you might be interested in reading this account of that group of women Mrs. Barlow took before the President's Advisory Commission. The group was set up, each one to cover a certain aspect, as you had suggested. I mapped it all out with her along those lines.

In the report which Mrs. Woods had received from Mrs. Barlow, in reference to the reactions of the members of the Commission, Mrs. Barlow reported that Sam Rosenman said that they had begun to doubt the validity of the popular polls on universal military training and felt reassured by the widely diverse opinions and points of view that had been offered by the women supplied by Mrs. Woods. The Commission, Mr. Speaker, was following the popular polls and the evidence of witnesses supplied, prepared, and briefed by employees of the War Department, whose duty it was to sell the program to the public in hopes that the public would sell the program to the Congress.

Mrs. Woods is no longer with the War Department. We are advised that, on the day of our hearing, she resigned.

This, Mr. Speaker, is only a part of the activities of the War Department, lobbying for universal military training.

The subcommittee to investigate publicity and propaganda does not concern itself with the merits of pending legislation, but is interested in the subject of unlawful and improper activities of Federal agencies and employees in their use of public funds, attempting to influence the Congress for or against pending legislation.

It is the intention of your committee, before the adjournment of Congress, to file a full report of our investigations into these activities.

The SPEAKER. The time of the gentleman from Indiana [Mr. HARNESS] has expired.

Mr. FORAND. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HARNESS of Indiana. I thank the gentleman very much.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. BROWN of Ohio. Instances have been called to my attention where the War Department has been furnishing films of propaganda and sending out Army officers to display those films. Of course, as the gentleman points out, that is a violation of the criminal law.

Mr. HARNESS of Indiana. There is no question about it. Public funds spent by Federal officials and employees in behalf of legislation pending in this Congress is a violation of the criminal code. This expenditure of public funds

is not only unwarranted, it is not only improper, but in instances it is a violation of the criminal code, and before this session ends I shall appear before the House again with an official report of my committee giving in detail the activities of the War Department in connection with this propaganda effort.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. GRANGER. Is this the same legislation that used to be called compulsory military training?

Mr. HARNESS of Indiana. It is the same legislation, as far as I know. It is the program of the War Department for compulsory universal military training.

The SPEAKER. The time of the gentleman from Indiana has again expired.

(Mr. HARNESS of Indiana asked and was given permission to revise and extend his remarks.)

Mr. FORAND. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. TOWE].

(Mr. TOWE asked and was given permission to revise and extend his remarks.)

Mr. TOWE. Under leave to extend my remarks, I include an analysis of H. R. 4278, National Security Training Act of 1947:

A BRIEF OF H. R. 4278, A BILL TO ENACT THE NATIONAL SECURITY TRAINING ACT OF 1947

A. The purpose of H. R. 4278 is to provide for the common defense by requiring all qualified young men between the ages of 18 and 20 to undergo a period of training which will fit them to contribute to the protection of the country in time of emergency.

B. The bill creates the following agencies:

1. The National Security Training Corps.
2. The National Security Training Commission.
3. The General Advisory Board.
4. The Selective Training System.
5. The Code of Conduct.

C. The National Security Training Corps.

This consists of all qualified young men residing in the United States, or the Territories or possessions thereof, except certain categories of aliens to be specified by the National Security Training Commission. The following are specifically exempted:

- (a) Present members of the armed forces.
- (b) Past members of the armed forces who were discharged honorably therefrom.
- (c) Cadets and midshipmen respectively at the United States Military Academy, United States Naval Academy, and the Coast Guard Academy.

(d) Members of the senior division of the ROTC and NROTC, or naval aviation college program.

(e) Members of the National Guard and the Organized Reserve of the Army, Navy, and Marine Corps.

In addition, the President is authorized, pending full-scale implementation of this program, to exempt any person accepted for admittance at one of the service academies, members of the National Security Training Corps, although they shall be legally deemed to have military status, shall not be members of the armed forces, shall be liable to no duty other than training duty, and shall be liable to bear arms for the United States only in the event of a national emergency, so declared by Congress and the President. After having fulfilled his training obligation hereunder, and upon separation from the corps, a young man will revert to complete civilian status and will have no further obligation to the armed forces, or to any

Reserve component thereof, except in the event of a national emergency.

D. The National Security Training Commission:

There is created in the executive branch a Commission to set the policies and standards of the training program. The Commission shall consist of three persons appointed by the President with Senate confirmation. Two of its members, including the Chairman, shall be civilians. One member shall be appointed from the armed forces. The Commission shall report directly to the President.

The Commission shall be the policy and supervisory agency of the training program. As such it shall not operate directly any phase of the program. The War and Navy Departments shall be the operating agencies and will be governed by the policies and standards of the Commission; provided that the Commission itself shall determine the substance and character of the non-military training provided for in this act.

Members of the Commission shall receive compensation at the rate of \$12,500 per year, except the Chairman, who shall receive \$15,000. The Commission shall appoint an Executive Director, to whom it may delegate all of its powers, duties, and functions. He shall receive compensation at the rate of \$12,000 per year. The Commission is empowered to employ a staff and to establish a full-time civilian inspectorate to keep it informed of actual conditions at the local level.

E. The General Advisory Board:

This shall consist of not less than 10 nor more than 25 persons appointed by the President, for the purpose of providing the Commission with the best technical advice on matters pertaining to the moral, religious, and educational phases of the program. The Board shall be composed in large part of outstanding civilians, but shall include not less than three members of the armed forces. The Board shall serve part-time, as the Commission may prescribe, and shall have no policy-making authority. Its members shall receive compensation and expenses when actually serving.

F. Training:

1. Military training:

The military training shall be divided into two phases. The first phase shall consist of 6 months' continuous training, as prescribed by the Secretary of War or the Secretary of the Navy, in the Ground, Naval, or Air components of the Corps. The second phase shall be devoted to the completion of one of the several "alternative programs," provided herein. In the first phase the trainee shall be given the opportunity to choose his desired service branch, and in the second phase, his desired alternative program. He shall be assigned in accordance with his choice within the limits of applicable quotas, and standards of qualification and selection prescribed by law or by the President.

The alternative programs of the second training phase are as follows:

(a) Additional training in the National Security Training Corps for a period of 6 months.

(b) Voluntary enlistment in the Regular forces for at least the minimum period authorized by law.

(c) Enlistment in the National Guard or Organized Reserve for such period as the President may prescribe.

(d) Enlistment in the Enlisted Reserve Corps and assignment to an organized unit for such period as the President may prescribe.

(e) Entrance into the Military, Naval, or Coast Guard Academies.

(f) Enrollment in the Naval and Marine Corps officer-procurement program (the Holloway plan).

(g) Enrollment in ROTC or NROTC college course with agreement to accept the appropriate Reserve commission, if offered.

(h) Entrance into the United States Merchant Marine Academy or one of the five State-accredited maritime academies, with agreement to accept a naval Reserve commission, if offered.

(i) Entrance upon a technical or specialist course in school or college, the course being approved by the War or Navy Department and the minimum length of the course prescribed by the President.

(j) Enlistment in the Enlisted Reserve Corps for 6 years, with not to exceed 1 month's active duty per year.

The President shall provide for a system of training credits so as to allow transfer from one alternative program to another.

Scholarships and grants-in-aid may be offered to specially selected trainees who enter the educational alternatives (g) and (i) above.

2. Nonmilitary training:

The Commission, after study and consultation with other departments or agencies of the Government, shall determine the substance, character, and rate of implementation of the nonmilitary training for those members of the corps unacceptable physically or mentally for military training, and for conscientious objectors.

Each trainee shall receive during the first training phase and during alternative program (a) a cash allowance of \$30 per month. Compensation in the other alternatives shall be as prescribed by law or regulation.

If a trainee is the chief support of his family or members of his family, he may apply for a dependency allowance, which shall be paid in whole by the Government, without reduction in the trainee's monthly allowance. This dependency payment shall be \$50 per month for one dependent, \$65 per month for two or more dependents.

Trainees in the basic period and in alternative (a) shall be entitled to the benefits of the Soldiers' and Sailors' Relief Act of 1940, as amended, and to the benefits furnished to civil employees of the United States who suffer death or disability while in performance of duty. For this purpose trainees shall be deemed to receive compensation of \$87.50 per month.

G. The Selective Training System:

There is created a Selective Training System closely analogous to the Selective Service System utilized in the past war. It shall be administered by a Director, who shall be the present Director of the Office of Selective Service Records. This System is established for the registration, examination, classification, assignment, uerferment, delivery, and maintenance of records of men registered under this act.

This system shall include local boards in each county or comparable subdivision, appeal boards and other agencies analogous to the former Selective Service System.

Each local board shall maintain a register containing a current record of the address, occupations, training status and other pertinent data of each trainee for a period of 6 years following the trainee's completion of the first military training phase. The local board shall supervise the "alternative programs" with respect to ensuring fulfillment of the training obligation on the part of the trainee.

H. The code of conduct:

This consists of a detailed system of discipline for military trainees in the first training phase and in alternative (a) of the second phase. Trainees concerned shall not be subject to the articles of war, nor to the articles for the government of the Navy.

Three levels of disciplinary punishment are provided:

(a) Commanding officer's punishment to be utilized in cases of minor violations. No

restriction or confinement ordered hereunder shall exceed 1 week. The trainee may always ask for a trial.

(b) National Security Training Court. This consists of 5 officers appointed by a regimental commander or above to try cases specified in this act. Punishment of such court may not exceed restriction, extra duty, or confinement of than 3 months; except that dishonorable discharge may be adjudged by this court.

(c) District Courts of the United States and other civil authorities. Serious crimes, specified misdemeanors, and unlawful acts committed by trainees shall come within the jurisdiction of civil courts—in most cases, district courts of the United States.

Mr. FORAND. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

GOVERNOR DEWEY, KEEP YOUR 50,000 REDS; MONTANA DOES NOT WANT ANY PART OF THEM

Mr. MANSFIELD. Mr. Speaker, according to this morning's press, Gov. Tom Dewey, "Silent Tom," offered to give Montana 50,000 New York Communists to add to its population—and then he went fishing.

It seems to be the habit of the Republican leaders to "go fishing" whenever they are asked to help Montana.

Governor Dewey's suggestion is typical of the attitude of the absentee landlords in the East whenever they think of Montana or for that matter any part of the West. Montana is not a second-class State and it does not want Governor Dewey's Communists. It does not propose to be a haven for the people Governor Dewey, and his backers in Wall Street, do not want.

We wonder if Governor Dewey is going to be as helpful of all Montana's problems as he seems to be on this one of population. Since he is the titular head of the Republican Party and since he is on his first campaign tour, perhaps I could suggest what he could do for Montana.

He could tell his party to do the following things:

First. Stop cutting the appropriations for reclamation, flood control, and public power.

Second. Have the Republican majority in the Congress do something about high prices, inflation, and low-cost housing.

Third. Advise the people of Montana how to keep some of the wealth they have produced retained in Montana instead of having mansions and boulevards built on Riverside Drive while Montanans are made to walk in the mud.

He could do any or all of these things but instead, like all the Republicans whenever Montana's problems are mentioned to them, he "goes fishing."

I want to state emphatically that while we could support many more people in Montana we cannot and will not support the kind that he, as titular head of the Republican Party, wants to give us.

There is room in Montana for more men and women who believe in America and who will help to develop our State, but there is no room for anyone whose first and complete loyalty is not to the United States of America.

I want Governor Dewey to know that, Montana resents his slur against our State and that he would be far better off if he had remained in New York attending to his own Communist problem instead of trying to foist it off on a State which, on a per capita basis, bought more bonds and contributed more men than any other State in the Union in both world wars. We in Montana can take care of our own problems, but you, Governor Dewey, are evidently afraid to take care of yours. If all "Silent Tom" has to do is offer Montana 50,000 Reds, then it is up to the Republican Party to look elsewhere for a candidate who will be able to offer to Montana and the West real help in developing the resources which we possess in such abundance so that we can offer more opportunities to the people of Montana and the Nation. In my 5 years as a Congressman from Montana I have constantly been looking for means to help develop our State and to give our people more in the way of opportunities. I have achieved some degree of success, especially in the authorization and appropriations for the Hungry Horse project, which is the first real start in the development of a great State. This is the kind of a project that will benefit not only the people of Montana but the people of the entire Northwest as well. It certainly differs from the project which Governor Dewey is offering to Montana in the form of 50,000 exportable New York Communists. If Governor Dewey would offer to send back to Montana some of the wealth which has been taken out of our rivers and our mines I think he would be contributing to the correction of an injustice which has existed since the days Montana was a Territory. Governor Dewey, your statement indicates quite clearly that you are not interested in Montana's welfare but only in your own chances of achieving the Presidency. If this is the way you really think this problem should be handled God help the State of Montana should you ever be elected President.

Mr. REES. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. STEVENSON] and express the hope that the remainder of the time under this suspension will be devoted to a discussion of the bill under consideration.

The SPEAKER. The Chair will state to the membership that we still have a very full calendar for consideration and disposition before we adjourn tonight, and the Chair expresses the hope that we can go ahead with the business of the House.

The gentleman from Wisconsin [Mr. STEVENSON] is recognized for 5 minutes.

Mr. STEVENSON. Now, let us get back to the bill before us, H. R. 4127.

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my friend and colleague of Wisconsin.

Mr. DAVIS of Wisconsin. I wish to express my appreciation and admiration of the gentleman for the ability and tenacity with which he has pushed the task of bringing this measure to the floor of the House. I know he has lived with it day and night for several months and I wish to compliment him now on the action I know the House is going to take in a few minutes.

Mr. STEVENSON. I thank my friend.

Mr. Speaker, H. R. 4127 has for its purpose the amending of the existing civil-service retirement law. It provides many needed changes in the present law. Changes that are demanded by simple justice, changes in administrative practices, and changes that bring civil-service retirement in line with benefits already extended to many groups. From a standpoint of clearness and intelligibility, the act is much improved. It can safely be stated that the cost of this bill is borne almost entirely by the increase in employees' contributions.

During the last few years when the cost of living has been excessively high, the retired employees of the United States Government have been living on an average annuity of \$950. An increase to this group of faithful retired employees is long since due. These men contributed regularly to the fund prior to their retirement. The dollar they deposited in the fund was a mighty dollar. We hear very little about the "almighty dollar" now, because it has lost its mightiness. We are paying the retired men back with a dollar of reduced purchasing power. In this bill we recognize the just claim of these men and grant them a modest increase of 25 percent or \$300, whichever is the lesser amount.

Some months ago we read of a spectacular train wreck on the Pennsylvania Railroad. Six railway-mail clerks were killed and four seriously injured. These men, taken while in faithful pursuit of their duty, left families without adequate means of support. Again, in New York City, a woman jumped off a tall building and crushed to death a mail carrier absorbed in the delivery of his route. These are spectacular cases, but daily, faithful civil-service employees are dying, leaving wives and dependents, while in the performance of work for their Government. The comparative death rate is not high, but that does not reduce the individual need. The modest salaries paid to our Federal and postal employees do not permit the establishment of a large competence. So in this act we have provided for a modest form of widows' annuities. No mathematical formula can compute the immense good that will flow from this provision.

This is by no means a new departure. The Railroad Retirement Act, and the Social Security Act provide for widows and dependents. Our good neighbors to the north in the Dominion of Canada have provided annuities for the widows of Dominion employees for many years.

In making this provision for the widows of our employees; and such provision in the case of active employees is made only where there are dependent children; and, in the case of retired employees, it is made only when they elect

to take a reduced annuity to make such provision possible. In making such a provision we are affording a source of security to our employees.

In this bill we have recognized the fact that in 1942 we increased the contributions made by employees to the retirement fund without affording the Government employee an increase in his annuity. We have recognized the fact that the present annuity paid to Government employees is not in proportion to the present salary scales. We have attempted to place annuities in a proper relative ratio to present salary scales. We have recognized the fact that this bill makes a saving that is not possible to find on any balance sheet. Employers around the country recognize the fact that from a standpoint of sound practice and economy a good pension plan permits the employer to maintain a more efficient working force. The discrepancy now existing between salaries and annuities has the effect of keeping men in the Federal service long after they should retire. It creates, as it were, "hidden annuitants," employees who are drawing full pay rather than an annuity. The new proposals found in this bill foster good personnel practices as well as providing a badly needed increase to retiring employees.

In H. R. 4127 we have simplified the administration of the retirement law. We have replaced the existing four complicated formulas with two simple formulas. Under present law, an employee must be skilled in higher mathematics and he must maintain cumbersome accounts to compute how much annuity he is going to receive. In H. R. 4127, every employee will find it simple to compute his own annuity.

Additional benefits are extended to employees under this bill, but substantial reductions are made in costs as well. The bill provides for a reduction in interest rate from 4 to 3 percent; it compels employees who have less than 5 years of service to withdraw their contributions on leaving the service; it permits withdrawal of contributions for those with less than 10 years of service. These provisions will act to materially reduce the future liability of the fund; it provides further that the total annuity received by the employee be charged against his accumulated deductions. Further, as I have previously pointed out, the bill provides for better administration. These are all steps in the direction of economy.

The bill increases the contributions of the employees from 5 percent of salary to 6 percent of salary. Since the retirement law became effective in May 1920, Federal employees have contributed \$1,743,411,118.03 to the retirement fund. The total expenditures of the fund over this period has been \$1,378,115,033. The employees' contributions have exceeded total expenditures by \$365,296,085.03. The additional contribution to the fund to be made by the Federal employees will amount to approximately \$40,000,000 per year. It can safely be said that the cost of this bill is borne almost entirely by the increase in employees' contributions.

H. R. 4127 is a good bill, it is a just bill, it is a necessary and timely bill. It

is a good bill for the employees, it is a good bill for the Government, and I urge its immediate enactment into law.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does this bill lower the retirement age?

Mr. STEVENSON. The retirement age is as in the present law after 30 years service. An employee may retire at 50 years but with a 30 percent reduced annuity. He may retire at 60, and also at 62. There is also provision for compulsory retirement at 70.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my friend the gentleman from Iowa.

Mr. JENSEN. The employees under the Civil Service pay most of this out of their own salaries, do they not?

Mr. STEVENSON. That is right. The contribution to the fund is now greater than the appropriation by the Government.

Mr. JENSEN. The postal clerks and the employees' organizations of the Postal Department, are in favor of this bill, are they not?

Mr. STEVENSON. That is right. The Post Office and Civil Service Committee reported the bill unanimously, and the subcommittee of which I am chairman voted it out unanimously. I understand also that the Rules Committee reported it out unanimously.

Mr. JENSEN. It appears to me that the gentleman and his committee have done a very fine job.

Mr. STEVENSON. I thank the gentleman.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my friend and colleague from Wisconsin.

Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman and his committee for reporting out this bill at the present time. What is the nature of the provision made for widows of these employees generally?

Mr. STEVENSON. A widow may receive an annuity, if the annuitant dies and she has a child or children. The annuitant also may designate his widow to receive a reduced annuity during her lifetime or until she remarries.

Mr. KERSTEN of Wisconsin. If there are no children are there benefits to the widow?

Mr. STEVENSON. Under those conditions, yes. He may name his widow as beneficiary and she receives a reduced annuity.

Mr. KERSTEN of Wisconsin. I thank the gentleman.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from New York.

Mr. BUCK. I am uncertain as to the exact increase in cost to the Government of this bill.

Mr. STEVENSON. The actuaries coming before the committee said it would cost approximately ten to fifteen millions dollars a year, but since then we have taken out several provisions of the bill which must materially decrease the

cost. We have taken out the provision which would have allowed persons to retire with 10 years' service at 55 and 60, and would have given certain annuity benefits to the children of the widows of annuitants. We have taken those provisions out, which will materially reduce the cost.

I hope the bill passes unanimously. It is one of the most humanitarian and worth-while pieces of legislation that we have ever considered.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

[Mr. JAVITS addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. REES. Mr. Speaker, I have no more requests for time.

Mr. FORAND. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this bill to amend the Civil Service Retirement Act is one of the very few bills reported out this session which is in the interest of deserving Government employees. Unfortunately it is not the original bill that was reported out which contained several broader and liberal provisions that would have provided retirement after 10 years' service to postal and other employees who are partially disabled by reason of the heavy work or arduous duties they perform. To such employees retiring at the age of 55, among whom are many veterans, the retirement compensation would have been little enough. I shall support this substitute and hope the Committee on Post Office and Civil Service will report out a bill in the next session that will carry the just and deserving provisions that were eliminated from the original bill.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a radio address I delivered on Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REES. Mr. Speaker, I yield such time as he may desire, to the gentleman from Connecticut [Mr. SADLAK].

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Speaker, each member of the Committee on Post Offices and Civil Service has received many communications with regard to amending the Civil Service Retirement Act of May 29, 1930, as amended. The letters increased in volume when S. 637 was introduced in the other body and were noted in still greater number when the gentleman from Wisconsin [Mr. STEVENSON] the author of the present bill, introduced H. R. 3232, in essence a companion bill to the Langer-Chavez proposal I mentioned earlier.

But the measure before us presently did not evolve into H. R. 4127 from H. R.

3232; there was an intermediate step since the committee desired to bring out a so-called clean bill after extended discussions of H. R. 3232 and that proposal was numbered H. R. 3872. The merit of the new additions enhanced further inquiries and further increased the letter volume.

With the continued desire to report a complete bill to the House, legislation that would overcome objections raised theretofore, H. R. 4127 was drafted and is now being debated.

We have heard an explanation of the bill by the chairman of the full committee, the gentleman from Kansas [Mr. REES], and the gentleman from Wisconsin [Mr. STEVENSON], the chairman of the subcommittee, has just concluded a longer discussion of the provisions.

I congratulate the gentleman from Wisconsin [Mr. STEVENSON] for his tenacity of purpose and compliment his fine subcommittee for their application and belief in a liberalization of the annuities and benefits given Federal employees. Their determination, after hearings, to effect desirable amendments obtained unanimous approval of H. R. 4127 by the entire committee and should have like approval by the Membership of the House this afternoon.

Mr. VURSELL. Mr. Speaker, I rise in support of H. R. 4127, better known as the annuity bill, to increase annuities for Federal employees.

This bill, which amends the retirement law, brings many benefits to Federal workers, simplifies the Retirement Act, and will give all Federal employees larger annuities for their comfort in later life when they retire from Federal service.

It will increase the annuities of all who have previously retired which will help them now to meet the present high cost of living. This act provides for widows of Federal employees and for their children under 18 years of age.

It will not add greatly to the cost of Government. It should and, I believe, will be approved by the Members of the House by a substantial majority.

Mr. HAND. Mr. Speaker, there is no need to argue about H. R. 4127 to amend and liberalize the civil-service laws. I found no sentiment whatever against it. It remains only to pass the bill by the required two-thirds majority, and to hope that it will be enacted into law forthwith.

The postal employees, and civil-service workers generally, are entitled to the benefits which the act provides, and I am glad to be recorded in support of the measure.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

House Resolution 292 was laid on the table.

Mr. REES. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD at the point immediately preceding the passage of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on the bill (H. R. 4106) making appropriations for the District of Columbia for the fiscal year 1948.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, 12, 15, 18, 21, 25, 26, 28, 29, 30, 31, 32, 33, 35, 36, and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 8, 10, 13, 14, 16, 19, and 23, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$388,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of sum proposed by said amendment insert the following: "\$183,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$128,377"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: "\$87,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: "Provided, That no part of these funds shall be expended for the care of children the income of whose parents, parent, or guardian exceeds \$2,600 per annum"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "\$3,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 22, 27, and 34.

WALT HORAN,
KARL STEFAN,
RALPH E. CHURCH,
LOWELL STOCKMAN,
GEORGE ANDREWS,
JOHN E. FOGARTY,

Managers on the Part of the House.

HENRY C. DWORSHAK,
JOSEPH H. BALL,
MILTON R. YOUNG,
HARRY P. CAIN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,

THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, submit the following detailed statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to the Executive office, appropriates \$208,000, as proposed by the Senate, instead of \$222,000, as proposed by the House.

Amendment No. 2, relating to the Office of the Corporation Counsel, appropriates \$224,000, as proposed by the House, instead of \$218,550, as proposed by the Senate.

Amendment No. 3, relating to the Assessor's office, appropriates \$574,000, as proposed by the Senate, instead of \$554,000, as proposed by the House.

Amendment No. 4, relating to the Collector's office, appropriates \$299,900, as proposed by the Senate, instead of \$291,900, as proposed by the House.

Amendment No. 5, relating to the Auditor's office, appropriates \$388,000 instead of \$392,850, as proposed by the House, and \$383,900, as proposed by the Senate. It is the intent of the conferees that \$2,500 of the increase over the budget estimate shall be used for the purchase of an additional bookkeeping machine.

Amendment No. 6, relating to the Board of Indeterminate Sentence and Parole, appropriates \$56,600, as proposed by the Senate, instead of \$40,600, as proposed by the House.

Amendment No. 7, relating to the Department of Weights, Measures, and Markets, appropriates \$135,700, as proposed by the House, instead of \$134,000, as proposed by the Senate.

Amendment No. 8, relating to the Office of Administrator of Rent Control, appropriates \$100,000, as proposed by the Senate, instead of \$107,000, as proposed by the House.

Amendments Nos. 9 and 10, relating to the Office of Recorder of Deeds, appropriate \$183,500 instead of \$175,000, as proposed by the House, and \$196,000, as proposed by the Senate, and include a provision of the Senate allocating \$21,000 of the appropriation to the purchase of photostatic equipment. It is agreed by the conferees that the modernization of the office, as suggested in the House report and made possible by new legislation, will be reflected in a considerably reduced budget estimate for the fiscal year 1949.

Amendment No. 11, relating to the Public Utilities Commission, appropriates \$128,377 instead of \$119,000, as proposed by the House, and \$130,800, as proposed by the Senate. It is agreed by the conferees, and it is accordingly suggested, that the need for the People's Counsel be reviewed by the District Commissioners with a view to suggesting legislation

for the elimination of this seemingly unnecessary office.

Amendment No. 12, relating to the Zoning Commission, appropriates \$29,500, as proposed by the House, instead of \$22,500, as proposed by the Senate.

Amendment No. 13, relating to capital outlay, public schools, appropriates \$600,000 for furnishings and equipment, as proposed by the Senate, instead of \$620,600, as proposed by the House.

Amendment No. 14 relating to capital outlay, public schools, appropriates \$450,000 for school building and playground sites, as proposed by the Senate, instead of \$880,000, as proposed by the House.

Amendment No. 15, relating to operating expenses, Health Department, appropriates \$2,042,000, as proposed by the House, instead of \$2,000,000, as proposed by the Senate.

Amendment No. 16, relating to operating expenses, Department of Corrections, appropriates \$2,500,000, as proposed by the Senate, instead of \$2,550,000, as proposed by the House.

Amendment No. 17, relating to administrative expenses of Public Welfare, appropriates \$87,000 instead of \$82,000, as proposed by the House, and \$120,994, as proposed by the Senate. It is anticipated by the conferees that of the amount of \$3,110,400 appropriated for agency services under Public Welfare, the amount of \$50,000 will remain unexpended in the fiscal year 1948 as a result of the conferees not having made provision for reorganization of the administrative offices.

Amendment No. 18, relating to operating expenses, protective institutions, Public Welfare, appropriates \$1,852,900, as proposed by the House, instead of \$1,845,600, as proposed by the Senate.

Amendment No. 19, relating to St. Elizabeths Hospital, Public Welfare, appropriates \$6,229,000, as proposed by the Senate, instead of \$6,000,000, as proposed by the House.

Amendment No. 20, relating to day-care centers, Public Welfare, restores the language inserted by the House providing for a limitation on the type of care and increases the income maximum of parents from \$2,000 to \$2,600 per annum.

Amendment No. 21, relating to capital outlay, Street and Bridge Divisions, Public Works, appropriates \$5,285,000, as proposed by the House, instead of \$5,000,000, as proposed by the Senate.

Amendment No. 22 is reported in disagreement.

Amendment No. 23, relating to operating expenses, Sewer Division, Public Works, appropriates \$1,140,000, as proposed by the Senate, instead of \$1,154,000, as proposed by the House.

Amendment No. 24, relating to capital outlay, Sewer Division, Public Works, appropriates \$3,750,000 instead of \$3,931,000, as proposed by the House, and \$3,500,000, as proposed by the Senate.

Amendment No. 25, relating to the National Guard, restores language inserted by the House providing for the compensation of the commanding general.

Amendment No. 26, relating to the National Guard, appropriates \$68,600, as proposed by the House, instead of \$65,000, as proposed by the Senate.

Amendment No. 27 is reported in disagreement.

Amendments Nos. 28, 29, 30, 31, 32, and 33, correct section numbers.

Amendment No. 34 is reported in disagreement.

Amendments Nos. 35, 36, and 37 correct section numbers.

AMENDMENTS IN DISAGREEMENT

Amendment No. 22, relating to Capital outlay, Refuse Division, Public Works, provides for an increased limitation in the construction cost of an incinerator and provides for an additional amount for the con-

struction of a refuse transfer station, from funds already available. The managers on the part of the House move to recede and concur.

Amendment No. 27 under General Provisions, strike out language of the House relating to auditing procedures in the District Government. The managers on the part of the House will move to recede and concur with an amendment as follows:

"Sec. 2. Vouchers in payment of obligations incurred by the Health Department and Public Welfare pursuant to the appropriations contained in this Act shall be certified as lawfully payable in the department, board, or office responsible for the incurring of the obligations; thereafter the vouchers shall be audited before payment by or under the jurisdiction only of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the Disbursing Officer without countersignature."

Amendment No. 34 under General Provisions clarifies House language pertaining to the investment and reinvestment of funds in United States Government securities. The managers on the part of the House move to recede and concur with an amendment changing the section number.

WALT HORAN,
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GEORGE ANDREWS,
JOHN E. FOGARTY,

Managers on the Part of the House.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 758) entitled "An act to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GURNEY, Mr. SALTONSTALL, Mr. MORSE, Mr. BALDWIN, Mr. TYDINGS, Mr. RUSSELL, and Mr. BYRD to be the conferees on the part of the Senate.

PRESUMPTION OF SERVICE CONNECTION FOR TROPICAL DISEASES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 3889) to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases.

The Clerk read as follows:

Be it enacted, etc., That subparagraph (c) of paragraph I, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended by substituting a colon for the period at the end thereof and adding the following: "Provided further, That the term 'chronic disease' as used in this paragraph shall include anemia, primary; arteriosclerosis; arthritis; bronchiectasis; calculi of the kidney, bladder, or gall bladder; cardiovascular-renal disease, including hypertension, Buerger's disease and Raynaud's disease; cirrhosis of the liver; coccidiomycosis; endocarditis; diabetes, mellitus; endocrinopathies; epilep-

80TH CONGRESS
1ST SESSION

H. R. 4127

IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JULY 16), 1947

Read twice and referred to the Committee on Civil Service

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:

5 “SEC. 1. (a) Any officer or employee to whom this
6 Act applies who shall have attained or shall hereafter attain
7 the age of sixty years and have rendered at least thirty years
8 of service computed as prescribed in section 5 of this Act,
9 or who shall have attained or shall hereafter attain the age
10 of sixty-two years and have rendered at least fifteen years
11 of such service, shall, upon separation from the service, be

1 paid an annuity computed as provided in section 4 of this
2 Act.

3 “(b) Any officer or employee to whom this Act applies
4 who shall have attained or shall hereafter attain the age of
5 fifty-five years and have rendered at least thirty years of
6 service computed as prescribed in section 5 of this Act shall,
7 upon separation from the service, be paid an annuity com-
8 puted as provided in section 4 of this Act, reduced by one-half
9 of 1 per centum for each full month such officer or employee
10 is under the age of sixty years.

11 “(c) Any officer or employee to whom this Act applies,
12 after having rendered at least twenty-five years of service
13 computed as prescribed in section 5 of this Act, (1) upon
14 involuntary separation from the service not by removal for
15 cause on charges of misconduct or delinquency, or (2) upon
16 voluntary separation from the service if such officer or em-
17 ployee had accepted a position with a lower rate of basic
18 salary, pay, or compensation after having been so involun-
19 tarily separated from a position with a higher rate of basic
20 salary, pay, or compensation, and was receiving less than
21 such higher rate at the time of his voluntary separation, shall
22 be paid an immediate life annuity computed as provided in
23 section 4 of this Act reduced by one-fourth of 1 per centum
24 for each full month such officer or employee is under the age

1 of sixty years. This subsection shall become effective July 1,
2 1947.”

3 SEC. 2. Section 2 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 2. (a) Except as provided in section 204 of
6 the Act of June 30, 1932 (47 Stat. 404), and section 3
7 of the Act of July 13, 1937 (50 Stat. 512), any officer
8 or employee to whom this Act applies who shall have com-
9 pleted fifteen years of service computed as provided in section
10 5 of this Act shall, on the last day of the month in which
11 he attains the age of seventy years, or completes fifteen years
12 of service if then beyond such age, be automatically separated
13 from the service, and all salary, pay, or compensation shall
14 cease from that date, and the head of each department,
15 branch, or independent office of the Government concerned
16 shall notify each such employee under his direction of the
17 date of his separation from the service at least sixty days
18 in advance thereof: *Provided*, That should the head of the
19 department, branch, or independent office fail, through error,
20 to give timely notification, the employee’s separation from
21 the service shall not be effected without his consent until
22 the expiration of said sixty-day period. Upon such separa-
23 tion, the officer or employee shall be eligible for retirement
24 on annuity as provided in section 4 hereof.

1 “(b) No person who is receiving an annuity under the
2 provisions of this Act and who has reached the age of sixty
3 years shall be eligible again to appointment to any appointive
4 office, position, or employment under the Government of
5 the United States or of the District of Columbia, unless
6 the appointing authority determines that he is possessed of
7 special qualifications: *Provided*, That no deductions for the
8 retirement fund shall be withheld from the salary, pay, or
9 compensation of such person, but there shall be deducted
10 from his salary, pay, or compensation otherwise payable a
11 sum equal to the retirement annuity allocable to the period
12 of actual employment: *Provided further*, That the annuity
13 in such case shall not be redetermined upon such person’s
14 subsequent separation from the service.”

15 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
16 May 29, 1930, as amended, is amended to read as follows:

17 “(6) (a) In the case of a Member of Congress who
18 becomes separated from the service before he completes an
19 aggregate of six years of service as a Member of Congress,
20 and who is not retired for disability, the total amount de-
21 ducted from his basic salary, pay, or compensation or de-
22 posited by him as a Member of Congress shall be returned
23 to such Member of Congress together with interest at 4 per
24 centum per annum to December 31, 1947, and at 3 per
25 centum per annum thereafter compounded on December 31

1 of each year, to date of separation. No such Member of
2 Congress shall thereafter become eligible to receive an
3 annuity as provided in this section unless the amounts so
4 returned are redeposited with interest at 4 per centum com-
5 pounded on December 31 of each year, but interest shall
6 not be required covering any period of separation from the
7 service.

8 “(b) In case a Member of Congress shall die prior to
9 retirement the total sums deducted from his basic salary,
10 pay, or compensation or deposited by him, together with
11 interest at 4 per centum per annum to December 31, 1947,
12 and at 3 per centum per annum thereafter, compounded on
13 December 31 of each year to date of death shall be paid,
14 upon the establishment of a valid claim therefor, in the
15 order of precedence prescribed in section 12.

16 “(c) In case a former Member of Congress receiving
17 an annuity under this section shall die without having re-
18 ceived in purchasable annuities an amount equal to the total
19 sums deducted from his basic salary, pay, or compensation
20 or deposited by him, together with interest at 4 per centum
21 per annum to December 31, 1947, and at 3 per centum per
22 annum thereafter, compounded on December 31 of each
23 year to date of retirement, the difference and/or any accrued
24 annuity due shall be paid, upon the establishment of a valid

1 claim therefor, in the order of precedence prescribed in
2 section 12.”

3 (b) Except as provided in this section the amendments
4 made by this Act shall not apply to any person subject to
5 the provisions of section 3A of the Act of May 29, 1930, as
6 amended, and the rights and obligations of such person under
7 such Act shall continue as though this Act had not been
8 enacted.

9 (c) Section 3 (a) of the Act of May 29, 1930, as
10 amended, is amended by adding at the end thereof the
11 following:

12 “Notwithstanding any other provision of this Act, any
13 officer or employee in the legislative branch of the Govern-
14 ment within the classes of officers or employees which were
15 made eligible for the benefits of this Act by the Act of July
16 13, 1937, serving in such position on the effective date of
17 this Act, may give notice of his desire to come within the
18 purview of this Act at any time prior to July 1, 1948.”

19 SEC. 4. Section 4 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 4. (a) The annuity of an officer or employee
22 retired under this Act shall be a life annuity, terminable
23 upon the death of the annuitant and shall be an amount
24 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
25 annual basic salary, pay, or compensation received by the

1 officer or employee during any five consecutive years of
2 allowable service at the option of the officer or employee
3 multiplied by the years of service, or (2) 1 per centum of
4 the average annual basic salary, pay, or compensation re-
5 ceived by the officer or employee during any five consecutive
6 years of allowable service at the option of the officer or
7 employee multiplied by the years of service, plus a sum
8 equal to \$25 for each year of such service: *Provided*, That
9 if deposit or redeposit under section 7, 9, or 12 (b) hereof
10 has not been made, the annuity for the period or periods of
11 service covered by the deposit or redeposit shall be in an
12 amount equal to 1 per centum of the average annual basic
13 salary, pay, or compensation received by the officer or
14 employee during any five consecutive years of allowable
15 service at the option of the officer or employee multiplied by
16 the years of such service: *Provided further*, That in no case
17 shall the annuity exceed an amount equal to 90 per centum
18 of the highest average annual basic salary, pay, or compen-
19 sation received by the officer or employee during five con-
20 secutive years of allowable service.

21 “(b) Any officer or employee, if a husband, retiring
22 under the provisions of section 1, 2, or 6 of this Act may
23 at the time of his retirement elect to receive in lieu of the
24 life annuity described herein a reduced annuity equal to
25 90 per centum of such life annuity and an annuity after his

1 death payable to his surviving widow equal to 50 per centum
2 of such life annuity. The annuity of such widow shall
3 begin on the first day of the month in which the death of
4 the husband occurs or the first day of the month following
5 the widow's attainment of age sixty, whichever is the later,
6 and shall terminate upon her death.

7 “(c) Any officer or employee in good health retiring
8 under the provisions of section 1 or 2 of this Act may at
9 the time of his retirement elect to receive in lieu of the life
10 annuity described herein a reduced annuity payable to him
11 during his life, and an annuity after his death payable to a
12 survivor annuitant, duly designated in writing and filed with
13 the Civil Service Commission at the time of his retirement,
14 during the life of such survivor annuitant equal to 50 per
15 centum of such reduced annuity and upon the death of such
16 survivor annuitant all payments shall cease and no further
17 annuity shall be due and payable. The annuity hereunder
18 payable to the officer or employee shall be 90 per centum
19 of the life annuity otherwise payable if the survivor annuitant
20 is the same age or older than the annuitant, or is less than
21 five years younger than the annuitant; 85 per centum if
22 the survivor annuitant is five but less than ten years younger;
23 80 per centum if the survivor annuitant is ten but less than
24 fifteen years younger; 75 per centum if the survivor annui-
25 tant is fifteen but less than twenty years younger; 70 per

1 centum if the survivor annuitant is twenty but less than
2 twenty-five years younger; and 60 per centum if the survivor
3 annuitant is twenty-five or more years younger. No such
4 election shall be valid until the retiring officer or employee
5 shall have satisfactorily passed a physical examination as
6 prescribed by the Civil Service Commission.

7 “(d) For the purpose of this Act all periods of service
8 shall be computed in accordance with section 5 hereof, and
9 the monthly annuity installment shall be fixed at the nearest
10 dollar.

11 “(e) The term ‘basic salary, pay, or compensation’,
12 wherever used in this Act, shall be so construed as to exclude
13 from the operation of the Act all bonuses, allowances, over-
14 time pay, or salary, pay, or compensation given in addition
15 to the base pay of the position as fixed by law or regulation.”

16 SEC. 5. The first paragraph of section 5 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “Subject to the provisions of section 9 hereof, the aggre-
19 gate period of service which forms the basis for calculating the
20 amount of any annuity provided in this Act shall be computed
21 from the date of original employment, whether as a classified
22 or an unclassified officer or employee in the civil service of
23 the United States, or in the service of the District of Colum-
24 bia, including periods of service at different times and in

1 one or more departments, branches, or independent offices,
2 or the legislative branch of the Government, and also periods
3 of service performed overseas under authority of the United
4 States, and periods of honorable service in the Army, Navy,
5 Marine Corps, or Coast Guard of the United States; in the
6 case of an officer or employee, however, who is eligible for
7 and receives retired pay on account of military or naval
8 service, the period of service upon which such retired pay
9 is based shall not be included, except that in the case of an
10 officer or employee who is eligible for and receives retired
11 pay on account of a service-connected disability incurred in
12 combat with an enemy of the United States or resulting from
13 an explosion of an instrument of war, the period of the mili-
14 tary service shall be included: *Provided*, That an officer or
15 employee must have served for a total period of not less than
16 five years exclusive of such military or naval service before
17 he shall be eligible for annuity under this Act. Nothing in
18 this Act shall be construed as to affect in any manner an
19 officer's or employee's right to retired pay, pension, or com-
20 pensation in addition to the annuity herein provided."

21 SEC. 6. The first three paragraphs of section 6 of the
22 Act of May 29, 1930, as amended, are amended to read as
23 follows:

24 "Any officer or employee to whom this Act applies who
25 shall have served for a total period of not less than five

1 years computed as provided in section 5 of this Act, and
2 who, before meeting the age and service requirements for
3 retirement under section 1 (a) hereof, becomes totally dis-
4 abled for useful and efficient service in the grade or class
5 of position occupied by the officer or employee, by reason
6 of disease or injury not due to vicious habits, intemper-
7 ance, or willful misconduct on the part of the officer or
8 employee, shall upon his own application or upon the re-
9 quest or order of the head of the department, branch, or
10 independent office concerned, be retired on an annuity com-
11 puted in accordance with the provisions of section 4 hereof:
12 *Provided*, That proof of freedom from vicious habits, intem-
13 perance, or willful misconduct for a period of more than five
14 years next prior to becoming so disabled for useful and effi-
15 cient service, shall not be required in any case. No officer
16 or employee shall be retired under the provisions of this sec-
17 tion unless examined by a medical officer of the United
18 States, or a duly qualified physician or surgeon, or board
19 of physicians or surgeons, designated by the Civil Service
20 Commission for that purpose, and found to be disabled in
21 the degree and in the manner specified herein. No claim
22 shall be allowed under the provisions of this section unless
23 the application for retirement shall have been executed prior
24 to the applicant's separation from the service or within six
25 months thereafter. The time limitation for execution of

1 claims for retirement under the terms of this section may be
2 waived by the Civil Service Commission in case of an officer
3 or employee who at the date of separation from service or
4 within six months thereafter is receiving hospital treatment,
5 but the application in such case must be filed with the Civil
6 Service Commission not later than six months after the ter-
7 mination of such hospitalization; in the case of any such per-
8 son heretofore separated from service application may be
9 filed within six months after the effective date of this Act.
10 Such time limitation may similarly be waived in the case
11 of an officer or employee who at the date of separation
12 from service or within six months thereafter is mentally
13 incompetent, but the application in such case must be filed
14 with the Civil Service Commission within one year from
15 the date of restoration of such person to competency or the
16 appointment of a fiduciary whichever is the earlier.

17 "Every annuitant retired under the provisions of this
18 section unless the disability for which retired be permanent
19 in character, shall at the expiration of one year from the date
20 of such retirement and annually thereafter, until reaching
21 age sixty, be examined under the direction of the Civil Serv-
22 ice Commission by a medical officer of the United States, or
23 a duly qualified physician or surgeon, or board of physicians
24 or surgeons designated by the Civil Service Commission for
25 that purpose, in order to ascertain the nature and degree of

1 the annuitant's disability, if any. If an annuitant shall re-
2 cover before reaching age sixty and be restored to an earn-
3 ing capacity which would permit him to be appointed to
4 some appropriate position fairly comparable in compensa-
5 tion to the position occupied at the time of retirement, pay-
6 ment of the annuity shall be continued temporarily to afford
7 the annuitant opportunity to seek such available position,
8 but not in any case exceeding one year from the date of the
9 medical examination showing such recovery. Should the
10 annuitant fail to appear for examination as required under
11 this section, payment of the annuity shall be suspended until
12 continuance of the disability shall have been satisfactorily
13 established. The Civil Service Commission may order or
14 direct at any time such medical or other examination as it
15 shall deem necessary to determine the facts relative to the
16 nature and degree of disability of any officer or employee
17 retired on an annuity under this section.

18 "If a recovered disability annuitant whose annuity is
19 discontinued subsequent to June 30, 1945, shall fail to obtain
20 reemployment in any position included in the provisions of
21 this Act, he shall be considered as having been separated
22 from the service within the meaning of section 7 of this
23 Act as of the date he was retired for disability and shall,
24 after the discontinuance of the disability annuity, be entitled

1 to a deferred annuity in accordance with the provisions of
2 such section."

3 "SEC. 7. Section 7 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 7. (a) Should any officer or employee to whom
6 this Act applies after having rendered five years of service,
7 computed as prescribed in section 5 of this Act, but less than
8 ten years of creditable civilian service and before becoming
9 eligible for retirement under section 1 (a) of this Act become
10 separated from the service, such officer or employee shall be
11 paid as he may elect, (A) a deferred annuity beginning at
12 the age of sixty-two years, or the age at separation if beyond
13 the age of sixty-two computed as provided in section 4 (a)
14 of this Act, or (B) the total amount credited to his individual
15 account together with interest at 4 per centum per annum
16 to December 31, 1947, and 3 per centum per annum there-
17 after compounded on December 31 of each year to date of
18 separation.

19 "(b) Should any officer or employee to whom this Act
20 applies, after having rendered at least ten years of creditable
21 civilian service and before becoming eligible for retirement
22 under section 1 (a) of this Act become separated from the
23 service, such officer or employee shall be paid a deferred
24 annuity beginning at the age of sixty-two years.

25 "(c) All amounts returned to an officer or employee

1 under this section must upon reinstatement, retransfer, or re-
2 appointment to a position within the purview of this Act be
3 redeposited by such officer or employee before he may
4 received full credit for the service covered by the refund."

5 SEC. 8. Section 8 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 "SEC. 8. In the case of any officer or employee who
8 before the effective date of this Act shall have been retired
9 on annuity under the provisions of the Act of May 22, 1920,
10 as amended, or section 8 (a) of the Act of June 16, 1933,
11 the annuity shall be increased, effective on the first day of
12 the fourth month following the month in which this Act is
13 enacted by 25 per centum or \$300, whichever is the lesser:
14 *Provided*, That each such annuitant may, prior to the effec-
15 tive date herein prescribed, elect to retain his or her present
16 annuity, in lieu of the increased annuity provided by this
17 section, and name his wife or her husband to receive upon
18 his or her death one-half of his or her present annuity but
19 not to exceed \$600 per annum during the remainder of the
20 life of such surviving husband or wife and upon the death
21 of such survivor no further annuity shall be due or payable.

22 "In case any officer or employee shall have been sep-
23 arated subsequent to January 23, 1942, and prior to effective
24 date of this Act and have acquired title to annuity under
25 section 7 of the Act of May 29, 1930, as amended, beginning

1 after such effective date, such annuity shall be computed in
2 accordance with section 4 of this Act but any reduction
3 applicable thereto shall be determined as if this Act had not
4 been enacted: *Provided*, That any such officer or employee
5 may elect to forfeit his right to such annuity and elect in lieu
6 thereof to receive the benefits provided by section 7 of this
7 Act.”

8 SEC. 9. Section 9 of the Act of May 29, 1930, as
9 amended, is amended to read as follows:

10 “SEC. 9. Each officer or employee within the purview
11 of this Act may deposit to the credit of the ‘civil-service
12 retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum
13 of his basic salary, pay, or compensation received for services
14 rendered after July 31, 1920, and prior to July 1, 1926;
15 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
16 services rendered from and after July 1, 1926, and prior to
17 July 1, 1942; 5 per centum of said basic pay, salary, or
18 compensation for services rendered from and after July 1,
19 1942, and prior to the first day of the first pay period in
20 1948, and also 6 per centum thereafter, covering service dur-
21 ing which no deductions were withheld for deposit in the said
22 fund. Each such officer or employee may elect to make such
23 deposits in installments during the continuance of his service
24 in such amounts and under such conditions as may be deter-
25 mined in each instance by the Civil Service Commission.

1 The amount so deposited shall be credited to the individual
2 account of the officer or employee in the said fund. Upon
3 making such deposit, the officer or employee shall be entitled
4 to full credit for the period or periods of service involved:
5 *Provided*, That no deposit shall be required for any service
6 rendered prior to August 1, 1920, or for periods of honorable
7 service in the Army, Navy, Marine Corps, or Coast Guard of
8 the United States.”

9 SEC. 10. The first two paragraphs of section 10 of the
10 Act of May 29, 1930, as amended, are amended to read as
11 follows:

12 “Beginning as of July 1, 1942, there shall be deducted
13 and withheld from the basic salary, pay, or compensation of
14 each officer or employee to whom this Act applies a sum
15 equal to 5 per centum of such officer’s or employee’s basic
16 salary, pay, or compensation: *Provided*, That from and
17 after the first day of the first pay period in 1948, there shall
18 be deducted and withheld from the basic salary, pay, or
19 compensation of each officer or employee to whom this Act
20 applies a sum equal to 6 per centum of such officer’s or
21 employee’s basic salary, pay, or compensation. The amounts
22 so deducted and withheld from the basic salary, pay, or
23 compensation of each officer or employee shall, in accord-
24 ance with such procedure as may be prescribed by the
25 Comptroller General of the United States, be deposited in

1 the Treasury of the United States to the credit of the civil-
2 service retirement and disability fund created by the Act
3 of May 22, 1920, and said fund is hereby appropriated for
4 the payment of annuities, refunds, and allowances as provided
5 in this Act.

6 “Any officer or employee may at his option and under
7 such regulations as may be prescribed by the Civil Service
8 Commission deposit additional sums in multiples of \$25 but
9 not to exceed 10 per centum of his annual basic salary, pay,
10 or compensation, for service rendered since August 1, 1920,
11 which amount together with interest thereon at 3 per centum
12 per annum compounded as of December 31 of each year,
13 shall, at the date of his retirement, be available to purchase,
14 as he shall elect and in accordance with such rules and
15 regulations as may be prescribed by the Civil Service Com-
16 mission, an annuity in addition to the annuity provided
17 by this Act. The life annuity shall consist of \$7 for each
18 \$100 in case the officer or employee has not reached age
19 sixty; \$8 if he has reached age sixty but not age sixty-five;
20 \$9 if he has reached age sixty-five but not age seventy; and
21 \$10 if he has reached age seventy. In the event of death
22 or separation from the service of such officer or employee
23 before becoming eligible for retirement or annuity, the total
24 amount so deposited with interest at 3 per centum per
25 annum to date of death or separation compounded on De-

1 cember 31 of each year shall be refunded in accordance with
2 the provisions of section 12 of this Act.”

3 SEC. 11. Section 12 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 “SEC. 12. (a) Under such regulations as may be pre-
6 scribed by the Civil Service Commission the amounts de-
7 ducted and withheld from the basic salary, pay, or compensa-
8 tion of each officer or employee for credit to the ‘civil-service
9 retirement and disability fund’ created by the Act of May
10 22, 1920, covering service from and after August 1, 1920,
11 shall be credited to an individual account of such officer or
12 employee.

13 “(b) (1) In the case of any officer or employee to
14 whom this Act applies who shall become absolutely sep-
15 arated from the service before he shall have completed an
16 aggregate of five years of service computed as prescribed
17 in section 5 of this Act, or who shall be transferred to a
18 position not within the purview of this Act, the amount
19 credited to his individual account together with interest at
20 4 per centum per annum to December 31, 1947, and 3
21 per centum per annum thereafter compounded on December
22 31 of each year to date of separation shall be returned to
23 such officer or employee: *Provided*, That in computing
24 interest under this subsection, a fractional part of a month
25 in the total service covered by the refund shall be disre-

1 garded, and no interest shall be allowed in any case unless
2 the service covered by the refund aggregates more than one
3 year.

4 “(2) All amounts returned to an officer or employee
5 under this subsection must, upon reinstatement, retransfer,
6 or reappointment to a position within the purview of this
7 Act, be redeposited by such officer or employee before he
8 may receive full credit for the service covered by the refund.

9 “(c) (1) In case any officer or employee to whom
10 this Act applies shall die after having rendered at least five
11 years of civilian service computed as prescribed in section 5
12 of this Act and is survived by a widow, such widow shall
13 be paid an annuity beginning the first day of the month
14 following the death of the officer or employee or following
15 the widow's attainment of age sixty, whichever is the later,
16 equal to 50 per centum of the amount of an annuity com-
17 puted as provided in section 4 (a) hereof with respect to
18 such officer or employee: *Provided*, That such payments
19 shall cease upon death of the widow.

20 “(2) In case any officer or employee to whom this
21 Act applies shall die after having rendered at least five years
22 of civilian service computed as prescribed in section 5 of
23 this Act, or after having retired subsequent to the effective
24 date of this Act under section 1, 2, or 6, and is survived
25 by a widow and a child or children, such widow shall be

1 paid an immediate annuity equal to 50 per centum of the
2 amount of an annuity computed as provided in section 4
3 (a) hereof with respect to such officer or employee. Such
4 annuity shall be terminable upon the death of such widow,
5 her attainment of age sixty, or upon termination of depend-
6 ency of the last surviving child by reason of (A) his at-
7 taining the age of eighteen years, (B) his marriage, or
8 (C) his death, whichever first occurs, except that if such
9 child is incapable of self-support by reason of mental or
10 physical disability his dependency shall terminate only upon
11 his death, marriage, or recovery from such disability.

12 “(d) As used in this Act—

13 “(1) The term ‘widow’ means a surviving wife of an
14 individual, who either (A) shall have been married to such
15 individual for at least five years immediately preceding his
16 death, or (B) is the mother of issue by such marriage.

17 “(2) The term ‘child’ means an unmarried child, in-
18 cluding a dependent stepchild or an adopted child, under
19 the age of eighteen years, or an unmarried child who be-
20 cause of physical or mental disability is incapable of self-
21 support.

22 “(3) Questions of dependency and disability arising
23 under this section shall be determined by the Civil Service
24 Commission and its decisions with respect to such matters
25 shall be final and conclusive and shall not be subject to re-

1 view. The Commission may order or direct at any time
2 such medical or other examinations as it shall deem neces-
3 sary to determine the facts relative to the nature and degree
4 of disability of any annuitant or applicant for annuity under
5 this section, and may suspend or deny any such annuity
6 for failure to submit to any such examination.

7 “(e) In case an officer or employee to whom this Act
8 applies shall die (1) before having rendered five years of
9 civilian service computed as prescribed in section 5 of this
10 Act or without a survivor entitled to annuity benefits pro-
11 vided by section 12 (c) hereof the total amount of deduc-
12 tions credited to his individual account with interest thereon
13 at 4 per centum per annum to December 31, 1947, and 3 per
14 centum per annum thereafter compounded on December 31
15 of each year to date of death, or (2) leaving a survivor en-
16 titled to such annuity benefits the total amount of deductions
17 credited to his individual account without interest, shall be
18 paid upon the establishment of a valid claim therefor, in the
19 following order of precedence:

20 “First, to the beneficiary or beneficiaries designated in
21 writing by such officer or employee and recorded with the
22 Civil Service Commission;

23 “Second, if there be no such beneficiary, to the duly ap-
24 pointed executor or administrator of the estate of such officer
25 or employee;

1 “Third, if there be no such beneficiary or executor or
2 administrator, payment may be made, after the expiration of
3 thirty days from the date of the death of the officer or em-
4 ployee, to such person or persons as may appear in the judg-
5 ment of the Civil Service Commission to be legally entitled
6 thereto, and such payment shall be a bar to recovery by any
7 other person.

8 “(f) In case of death of a retired employee (1) who
9 has not elected a joint and survivorship annuity as provided
10 in section 4 (c) of this Act and who has not received in
11 annuities an amount equal to the total amount credited to
12 his individual account with interest thereon at 4 per centum
13 per annum to December 31, 1947, and 3 per centum per
14 annum thereafter compounded on December 31 of each year
15 to date of retirement, or (2) who has elected a joint and
16 survivorship annuity as provided in section 4 (b) of this
17 Act and who has not received in annuities an amount equal
18 to the total amount credited to his individual account, the
19 difference and/or any accrued annuity due shall be paid
20 upon the establishment of a valid claim therefor, in the order
21 of precedence specified in subsection (e) hereof: In case
22 any separated officer or employee who is entitled to a de-
23 ferred annuity as provided in section 7 (a) or 7 (b) hereof
24 shall die before having established a valid claim for annuity,
25 the total amount credited to his individual account with in-

1 terest thereon at 4 per centum per annum to December 31,
2 1947, and 3 per centum per annum thereafter compounded
3 on December 31 of each year to date of death, shall be paid
4 upon the establishment of a valid claim therefor in the order
5 of precedence specified in subsection (e) hereof.

6 “(g) Where any payment under this Act is to be made
7 to a minor, or to a person mentally incompetent or under
8 other legal disability adjudged by a court of competent juris-
9 diction, such payment may be made to the person who is
10 constituted guardian or other fiduciary by the law of the
11 State of residence of such claimant or is otherwise legally
12 vested with the care of the claimant or his estate: *Provided*,
13 That where no guardian or other fiduciary of the person
14 under legal disability has been appointed under the laws
15 of the State of residence of the claimant, the Civil Service
16 Commission shall determine the person who is otherwise
17 legally vested with the care of the claimant or his estate.

18 “(h) In case a former employee entitled to the return
19 of the amount credited to his individual account shall become
20 legally incompetent, the total amount due may be paid to
21 a duly appointed guardian or committee of such former em-
22 ployee. If the amount of refund due such former employee
23 does not exceed \$1,000, and if there has been no demand
24 upon the Civil Service Commission by a duly appointed
25 guardian or committee, payment may be made, after the

1 expiration of thirty days from date of separation from the
2 service, to such person or persons, in the discretion of the
3 Commission, who may have the care and custody of such
4 former employee, and such payment shall be a bar to
5 recovery by any other person.

6 “(i) Each employee or annuitant to whom this Act
7 applies shall, under regulations prescribed by the Civil
8 Service Commission, designate a beneficiary or beneficiaries
9 to whom shall be paid, upon the death of the employee or
10 annuitant any sum remaining to his credit (including any
11 accrued annuity) under the provisions of this Act.”

12 SEC. 12. The first paragraph of section 13 of the Act of
13 May 29, 1930, as amended, is amended to read as follows:

14 “Annuities granted under the terms of this Act shall
15 accrue monthly and shall be due and payable in monthly
16 installments on the first business day of the month following
17 the month or other period for which the annuity shall have
18 accrued. Payment of all annuities, refunds, and allowances
19 granted hereunder shall be made by checks drawn and issued
20 by the Treasury Department in such form and manner and
21 with such safeguards as shall be prescribed by the Civil
22 Service Commission in accordance with the laws, rules, and
23 regulations governing accounting that may be found applica-
24 ble to such payments.”

1 SEC. 13. The third paragraph of section 13 of the Act of
2 May 29, 1930, as amended, is amended to read as follows:

3 “An annuity granted for retirement under the provisions
4 of section 1 or 2 of this Act shall commence the first day
5 of the month following the date of separation from the service,
6 or on the first day of the month following the month in which
7 salary shall cease provided the employee meets the age and
8 service requirements for retirement at that time, and shall
9 continue during the life of the annuitant. An annuity
10 granted under the provisions of section 6 or 7 hereof shall be
11 subject to the limitations specified in said sections.”

12 SEC. 14. Section 14 of the Act of May 29, 1930, as
13 amended, is hereby repealed.

14 SEC. 15. Except as otherwise provided herein, this Act
15 shall become effective on the first day of the fourth month
16 following the month of approval.

Passed the House of Representatives July 21, 1947.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
1ST SESSION

H. R. 4127

AN ACT

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

JULY 22 (legislative day, JULY 16), 1947
Read twice and referred to the Committee on
Civil Service

PROVIDING MORE LIBERAL PROVISIONS IN THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED

JULY 24 (legislative day, JULY 16), 1947.—Ordered to be printed

Mr. CHAVEZ, from the Committee on Civil Service, submitted the following

REPORT

[To accompany H. R. 4127]

The Committee on Civil Service, to whom was referred the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

GENERAL STATEMENT

The committee approved one amendment to H. R. 4127 to be inserted on page 3, line 1, after the word "years." as follows:

(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least 50 years of age and who has rendered 20 years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 percent of his average basic salary for the 5 years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding 30 years.

H. R. 4127 would provide widows' benefits and in many cases revise the amounts paid to annuitants.

The committee held extensive hearings upon both H. R. 4127 and S. 637 and received testimony from the Civil Service Commission, as well as all interested organizations.

The principal features of H. R. 4127 include:

(1) Provision for annuities for widows of employees having had 5 or more years of service in an amount based upon the service of the employees.

(2) Retirement deductions would be refunded to employees having had less than 5 years' service, with optional refunds provided for those having had between 5 and 10 years' service, excluding military service. All other contributions covering periods in excess of 10 years would

remain within the fund until such age as annuities, based upon a reduced value, would begin.

(3) Simplification of method of computing annuities which raises annuities from approximately 5 percent in higher-salaried groups to 25 percent in the lower brackets. An increase of 25 percent or \$300, whichever is lesser, would be provided to present annuities.

(4) Employee contributions to the retirement fund would rise from 5 percent to 6 percent out of such employees' basic salaries or wages.

(5) Discontinuance of the tontine or service charge against individual retirement accounts.

ITEM OF COSTS AND APPROPRIATIONS

The Civil Service Commission estimated that during the fiscal year 1948, 1,400,000 employees with aggregate salaries of \$3,700,000,000 would be subject to the Retirement Act. Taking into account the decreased percentage cost of the present law because of increased average salaries, the Commission further estimates that the total annual Government cost of the retirement plan, if amended in accordance with the bill, would be approximately 7 percent of pay roll. On the basis of the estimated pay roll of \$3,700,000,000, this results in an estimated appropriation for the fiscal year 1949 of \$259,000,000, as compared with the request of \$244,000,000, for the fiscal year 1948 under the present law, or an increase of \$15,000,000.

ADMINISTRATIVE EXPENSES

Inclusion of widows' benefits will require the Civil Service Commission to process approximately 6,000 additional claims in fiscal year 1948. This additional volume of work will increase the Commission's operating costs approximately \$75,000 in excess of appropriations already requested for the fiscal year.

Elimination of the tontine charge will simplify administration within the agencies. It has been estimated by those agencies, in data supplied to the Civil Service Commission, that elimination of the tontine charge will produce noticeable savings.

The substitution of two simple formulas for calculating annuities in lieu of the present four complex provisions makes it possible for any Federal employee to readily determine his own annuity without the aid of an expert. This improvement alone should relieve the agencies of much detail in answering employee inquiries, both oral and written.

PROVISIONS OF THE BILL ANALYZED

SECTION 1

Under existing law optional retirement is permitted at age 60 after 30 years of service, at age 62 after 15 years of service, and, on a reduced annuity, at age 55 after 30 years of service. This provision is continued unchanged in the bill.

The present law gives an employee involuntarily separated between July 1, 1945, and June 30, 1947, at age 55 with 25 years' service an immediate annuity reduced by 2 percent for each year the employee is under age 60 or 62, depending on his length of service. H. R. 4127 removes this 55-year limitation, thereby permitting the benefit at any

age, but with a 3-percent reduction for each year the employee is under the age of 60 years, and makes the provision permanent. This provision will become effective July 1, 1947.

The committee approved the following amendment to H. R. 4127 to be inserted on page 3, line 1, after the word "years.":

(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least 50 years of age and who has rendered 20 years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 percent of his average basic salary for the 5 years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding 30 years.

This amendment was made in order to preserve the provisions of Public Law 168 of the Eightieth Congress, first session, approved July 11, 1947.

SECTION 2

This section retains the existing compulsory retirement age of 70 years with 15 years' service, and this section also provides an entirely new feature to the retirement law with respect to reemployment annuitants. Under the present law an employee retired under section 1 (age or optionally), may be reemployed in the Federal service only if, in the opinion of the appointing authority, he possesses special qualifications. The annuity previously awarded is terminated upon any such reemployment, and the employee again becomes subject to the Retirement Act with a new annuity right arising under the law in effect at the time of subsequent separation from the service.

It is proposed that the same privileges of reemployment be continued except that if the person is age 60 or over, the annuity will continue to be paid during his reemployment and his salary, as an employee, reduced by the amount of annuity being received. The employee would acquire no additional retirement rights during such period of reemployment.

This will result in a saving in administrative costs because of the elimination of dropping annuitants from the roll, recomputing annuities, and reentering annuitants on the roll. It will prevent inequities arising as a result of annuitants being reemployed primarily for the purpose of acquiring new or additional retirement rights.

SECTION 3

This section amends section 3A of the Retirement Act which was added by section 602 of the Legislative Reorganization Act of 1946 and which extended to Members of Congress the privileges of becoming members of the civil service retirement system. The existing law provides for the payment of the total amount deducted from his salary with compound interest at 4 percent if the Member of Congress becomes separated from the service before completing an aggregate of 6 years of service as a Member of Congress. This section would reduce the interest rate from 4 to 3 percent after 1947.

Stipulation is also contained therein that the above amendment is the only provision in H. R. 4127 which will in any way affect the retirement of Members of Congress. The reduction in interest rate for Members of Congress will conform to that proposed for other

members of the system. None of the liberalized features of the act, including survivor benefits, will be available to Members of Congress.

This section will also permit secretaries and clerks to Members of Congress and congressional committees who heretofore have not elected to become members of the retirement system to do so, provided such election is made prior to July 1, 1948.

SECTION 4

The existing law provides that the annuity granted thereunder shall be composed of a sum equal to \$30 for each year of service not exceeding 30 (which total may not exceed three-fourths of the average annual basic salary received by the employee for the highest five consecutive years, or be less than the employee's purchasable life annuity), plus the amount purchasable with the sum (including interest) to the credit of the employee's individual account in the retirement fund. Provision is made that the annuity shall not be less than an amount equal to the average annual basic salary, not to exceed \$1,600 per annum, received by the employee during the highest five consecutive years of allowable service, multiplied by the number of years of service, not exceeding 30 years, and divided by 40. The law contains a third proviso which guarantees an annuity equal to one-seventieth of the average basic salary for the highest five consecutive years, multiplied by the number of years of service, not exceeding 35. In each individual case, the method which will produce the maximum benefit is used.

H. R. 4127 provides that the annuity formula shall be $1\frac{1}{2}$ percent of the highest average salary for five consecutive years multiplied by years of service, or 1 percent of such average salary plus \$25 multiplied by years of service. In no case may the annuity exceed 90 percent of the employee's highest 5 years' average salary. (In general, only the lower-salaried employees will be able to qualify for an annuity of 90 percent of salary; the average salaried employee would need to work approximately 50 years and the high-salaried employee would need to work approximately 60 years to qualify for a retirement benefit of 90 percent of salary.)

The present option given a retiring employee to elect an increased annuity carrying with it upon his death a forfeiture of his retirement contributions to the Government is repealed.

The present act permits an employee retiring under the age or optional provision of the Retirement Act to elect a reduced annuity carrying with it upon the employee's death a continuing benefit at the same rate or 50 percent thereof to a designated survivor annuitant. This section further provides that in the event of death of the employee within 30 days from the date of retirement, the election shall become void, and the death shall be treated as a death in the active service. H. R. 4127 provides two joint and survivor annuity plans. Section 4 (b) would allow a retiring employee (other than one receiving an annuity under sec. 7) to elect an annuity reduced by 10 percent with the provision that 50 percent of his original annuity would be paid to his widow, beginning at his death or her attainment of age 60, whichever is later. Section 4 (c) would allow an employee retiring optionally or for age to elect a reduced annuity with the provision that a survivor annuitant designated at time of retirement, receive an annuity

of 50 percent of the employee's reduced annuity after his death. This election is available only to those employees who furnish satisfactory evidence of good health. The reduction in the employee's annuity depends on the difference between his age and that of the survivor annuitant. This subsection is similar to the existing law excepting that the 30-day waiting period is eliminated, and there is substituted the requirement of physical examination.

SECTION 5

This section requires that 5 years of civilian service be rendered before any employee may have title to annuity, rather than a combination of civilian and military service as provided in the present law. It eliminates the present requirement that military service forming the basis for pension (generally only 90 days) be deducted from the time base for retirement.

SECTION 6

This will allow employees who were receiving hospital treatment an additional period to file claims for disability annuity, which provision will cover only a few meritorious cases. It will also eliminate the necessity for further medical examinations for disability annuitants after they have reached age 60.

SECTION 7

The present law freezes retirement deductions from and after January 24, 1942, in the case of employees who have served 5 years or more, and gives them in return, a right to annuity beginning at age 62 or 55, depending upon whether the separation was voluntary or involuntary.

H. R. 4127 provides a right to annuity beginning at age 62 after completion of at least 5 years of civilian service, and regardless of the reason for separation. Any employee who at the date of separation has served an aggregate of at least 5 years but less than 10 years of civilian service may elect to receive an annuity beginning at age 62 or draw a refund of the amount to his account with interest thereon. If the employee elects to receive the refund, he will then forfeit any right to future annuity unless he is again reemployed in a position within the purview of the act. Any employee who at the time of separation has completed an aggregate of 10 or more years of civilian service must leave his contributions to the fund on deposit, and will receive an annuity upon attaining age 62.

SECTION 8

This section provides certain benefits for retired employees already on the annuity rolls. The annuity of each such person would be increased, effective on the 1st day of the fourth month following the date of enactment by 25 percent or \$300, whichever is less, unless the annuitant elects in lieu of such increase to retain his present annuity and to have an amount equal to one-half the amount of his annuity paid to his or her spouse upon the annuitant's death, but the annuity

to the spouse may not exceed \$600 per annum. Such amount would be payable during the remainder of the life of the spouse.

This section also provides that a former officer or employee who presently holds a vested title to a future annuity shall retain this right, but he is offered the privilege of forfeiting his annuity and to elect in lieu thereof to receive a return of contributions.

SECTION 9

Section 9 of the present law permits an employee to make deposit in the retirement fund covering periods of service when not subject to the act, and for which he made no contribution. This section continues this privilege but provides that no interest on deposits shall be required, and that no deposit shall be required for military service.

SECTION 10

This section provides for an increase from 5 to 6 percent in employee contributions, beginning with the first pay period in 1948. As regards voluntary contributions made by employees to increase their annuities, the present actuarial factors now used in determining the additional annuity are replaced by simpler specified figures.

SECTION 11

This section amends section 12 of the Retirement Act so as to eliminate the so-called \$1-a-month tontine charge. Provisions relating to the tontine charge appearing in other sections of the act are likewise eliminated.

This section also provides for return of deductions with interest upon separation with less than 5 years' service. No interest is payable if the service covered by the refund aggregates 1 year or less.

Under existing law, deductions are returnable with interest upon separation with less than 5 years' service, but tontine is withheld in voluntary separation cases, and no interest is allowed for service of 1 year or less.

Subsections (c) and (d) of section 12 as amended by this bill provide survivorship benefits, in the case of employees dying in the service after having served for five or more years. The widow of any such employee would be entitled upon attaining age 60 to receive an annuity terminable upon death equal to one-half the amount of an annuity computed on the basis of the salary and years of service of the employee. However, the widow is further entitled to a similar annuity if she has a child under the age of 18 years. Her annuity would then be terminated but would be resumed at age 60 as in the case of a childless widow.

Section 11 of the bill also provides for a return of deductions with interest, as under existing law, to a beneficiary in case of death of an employee who leaves no survivor entitled to annuity and a return of deductions without interest if he leaves a qualified survivor.

Where an annuitant who has not elected a joint and survivorship annuity dies without having received in annuities an amount equal to the total amount credited to his individual account with interest, the difference and any accrued annuity will be returned to his beneficiary. Under existing law the amount returnable in such case is the difference

between the amount credited to the employee's account with interest and the amount chargeable to the employee as his portion of the annuity purchased with his contributions.

In all cases the interest rate on amounts credited to employee accounts will be reduced from 4 to 3 percent with respect to periods after December 31, 1947, thus affecting amounts returnable in the case of deceased employees and annuitants.

SECTION 12

The proposed change is for administrative expediency only. It provides that annuities shall accrue monthly, thereby eliminating the necessity of any settlement covering a small sum for a fractional part of a month.

SECTION 13

This section will allow the Civil Service Commission to make an age and optional annuity retroactively payable to the first of the month following termination of the employee's salary if he was eligible for annuity at that point. At present, the annuity cannot begin until actual separation occurs, and some employees who have been in leave-without-pay status have a period when neither salary nor annuity is payable. This will affect only a few meritorious cases.

SECTION 14

This will repeal section 14 of the present act, which section no longer serves any purpose.

SECTION 15

This section provides that the act shall be effective on the first day of the fourth month following approval, except as otherwise provided.



80TH CONGRESS
1ST SESSION

H. R. 4127

[Report No. 746]

IN THE SENATE OF THE UNITED STATES

JULY 22 (legislative day, JULY 16), 1947

Read twice and referred to the Committee on Civil Service

JULY 24 (legislative day, JULY 16), 1947

Reported by Mr. CHAVEZ, with an amendment

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 1 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:
5 “SEC. 1. (a) Any officer or employee to whom this
6 Act applies who shall have attained or shall hereafter attain
7 the age of sixty years and have rendered at least thirty years
8 of service computed as prescribed in section 5 of this Act,
9 or who shall have attained or shall hereafter attain the age
10 of sixty-two years and have rendered at least fifteen years
11 of such service, shall, upon separation from the service, be

1 paid an annuity computed as provided in section 4 of this
2 Act.

3 “(b) Any officer or employee to whom this Act applies
4 who shall have attained or shall hereafter attain the age of
5 fifty-five years and have rendered at least thirty years of
6 service computed as prescribed in section 5 of this Act shall,
7 upon separation from the service, be paid an annuity com-
8 puted as provided in section 4 of this Act, reduced by one-half
9 of 1 per centum for each full month such officer or employee
10 is under the age of sixty years.

11 “(c) Any officer or employee to whom this Act applies,
12 after having rendered at least twenty-five years of service
13 computed as prescribed in section 5 of this Act, (1) upon
14 involuntary separation from the service not by removal for
15 cause on charges of misconduct or delinquency, or (2) upon
16 voluntary separation from the service if such officer or em-
17 ployee had accepted a position with a lower rate of basic
18 salary, pay, or compensation after having been so involun-
19 tarily separated from a position with a higher rate of basic
20 salary, pay, or compensation, and was receiving less than
21 such higher rate at the time of his voluntary separation, shall
22 be paid an immediate life annuity computed as provided in
23 section 4 of this Act reduced by one-fourth of 1 per centum
24 for each full month such officer or employee is under the age

1 of sixty years. This subsection shall become effective July 1,
2 1947.”

3 “(d) Any special agent, special agent in charge, in-
4 spector, Assistant Director, assistant to the Director, Associate
5 Director, or the Director, who is at least fifty years of age
6 and who has rendered twenty years of service or more as a
7 special agent, or as aforesaid above, in the Federal Bureau of
8 Investigation may, on his own application and with the con-
9 sent of the Attorney General, retire from the service and
10 such annuity of such employee shall be equal to 2 per centum
11 of his average basic salary for the five years next preceding
12 the date of his retirement, multiplied by the number of years
13 of service, not exceeding thirty years.”

14 SEC. 2. Section 2 of the Act of May 29, 1930, as
15 amended, is amended to read as follows:

16 “SEC. 2. (a) Except as provided in section 204 of
17 the Act of June 30, 1932 (47 Stat. 404), and section 3
18 of the Act of July 13, 1937 (50 Stat. 512), any officer
19 or employee to whom this Act applies who shall have com-
20 pleted fifteen years of service computed as provided in section
21 5 of this Act shall, on the last day of the month in which
22 he attains the age of seventy years, or completes fifteen years
23 of service if then beyond such age, be automatically separated
24 from the service, and all salary, pay, or compensation shall
25 cease from that date, and the head of each department,

1 branch, or independent office of the Government concerned
2 shall notify each such employee under his direction of the
3 date of his separation from the service at least sixty days
4 in advance thereof: *Provided*, That should the head of the
5 department, branch, or independent office fail, through error,
6 to give timely notification, the employee's separation from
7 the service shall not be effected without his consent until
8 the expiration of said sixty-day period. Upon such separa-
9 tion, the officer or employee shall be eligible for retirement
10 on annuity as provided in section 4 hereof.

11 “(b) No person who is receiving an annuity under the
12 provisions of this Act and who has reached the age of sixty
13 years shall be eligible again to appointment to any appointive
14 office, position, or employment under the Government of
15 the United States or of the District of Columbia, unless
16 the appointing authority determines that he is possessed of
17 special qualifications: *Provided*, That no deductions for the
18 retirement fund shall be withheld from the salary, pay, or
19 compensation of such person, but there shall be deducted
20 from his salary, pay, or compensation otherwise payable a
21 sum equal to the retirement annuity allocable to the period
22 of actual employment: *Provided further*, That the annuity
23 in such case shall not be redetermined upon such person's
24 subsequent separation from the service.”

1 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
2 May 29, 1930, as amended, is amended to read as follows:

3 “(6) (a) In the case of a Member of Congress who
4 becomes separated from the service before he completes an
5 aggregate of six years of service as a Member of Congress,
6 and who is not retired for disability, the total amount de-
7 ducted from his basic salary, pay, or compensation or de-
8 posited by him as a Member of Congress shall be returned
9 to such Member of Congress together with interest at 4 per
10 centum per annum to December 31, 1947, and at 3 per
11 centum per annum thereafter compounded on December 31
12 of each year, to date of separation. No such Member of
13 Congress shall thereafter become eligible to receive an
14 annuity as provided in this section unless the amounts so
15 returned are redeposited with interest at 4 per centum com-
16 pounded on December 31 of each year, but interest shall
17 not be required covering any period of separation from the
18 service.

19 “(b) In case a Member of Congress shall die prior to
20 retirement the total sums deducted from his basic salary,
21 pay, or compensation or deposited by him, together with
22 interest at 4 per centum per annum to December 31, 1947,
23 and at 3 per centum per annum thereafter, compounded on
24 December 31 of each year to date of death shall be paid,

1 upon the establishment of a valid claim therefor, in the
2 order of precedence prescribed in section 12.

3 “(c) In case a former Member of Congress receiving
4 an annuity under this section shall die without having re-
5 ceived in purchasable annuities an amount equal to the total
6 sums deducted from his basic salary, pay, or compensation
7 or deposited by him, together with interest at 4 per centum
8 per annum to December 31, 1947, and at 3 per centum per
9 annum thereafter, compounded on December 31 of each
10 year to date of retirement, the difference and/or any accrued
11 annuity due shall be paid, upon the establishment of a valid
12 claim therefor, in the order of precedence prescribed in
13 section 12.”

14 (b) Except as provided in this section the amendments
15 made by this Act shall not apply to any person subject to
16 the provisions of section 3A of the Act of May 29, 1930, as
17 amended, and the rights and obligations of such person under
18 such Act shall continue as though this Act had not been
19 enacted.

20 (c) Section 3 (a) of the Act of May 29, 1930, as
21 amended, is amended by adding at the end thereof the
22 following:

23 “Notwithstanding any other provision of this Act, any
24 officer or employee in the legislative branch of the Govern-
25 ment within the classes of officers or employees which were

1 made eligible for the benefits of this Act by the Act of July
2 13, 1937, serving in such position on the effective date of
3 this Act, may give notice of his desire to come within the
4 purview of this Act at any time prior to July 1, 1948."

5 SEC. 4. Section 4 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 "SEC. 4. (a) The annuity of an officer or employee
8 retired under this Act shall be a life annuity, terminable
9 upon the death of the annuitant and shall be an amount
10 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
11 annual basic salary, pay, or compensation received by the
12 officer or employee during any five consecutive years of
13 allowable service at the option of the officer or employee
14 multiplied by the years of service, or (2) 1 per centum of
15 the average annual basic salary, pay, or compensation re-
16 ceived by the officer or employee during any five consecutive
17 years of allowable service at the option of the officer or
18 employee multiplied by the years of service, plus a sum
19 equal to \$25 for each year of such service: *Provided*, That
20 if deposit or redeposit under section 7, 9, or 12 (b) hereof
21 has not been made, the annuity for the period or periods of
22 service covered by the deposit or redeposit shall be in an
23 amount equal to 1 per centum of the average annual basic
24 salary, pay, or compensation received by the officer or
25 employee during any five consecutive years of allowable

1 service at the option of the officer or employee multiplied by
2 the years of such service: *Provided further*, That in no case
3 shall the annuity exceed an amount equal to 90 per centum
4 of the highest average annual basic salary, pay, or compen-
5 sation received by the officer or employee during five con-
6 secutive years of allowable service.

7 “(b) Any officer or employee, if a husband, retiring
8 under the provisions of section 1, 2, or 6 of this Act may
9 at the time of his retirement elect to receive in lieu of the
10 life annuity described herein a reduced annuity equal to
11 90 per centum of such life annuity and an annuity after his
12 death payable to his surviving widow equal to 50 per centum
13 of such life annuity. The annuity of such widow shall
14 begin on the first day of the month in which the death of
15 the husband occurs or the first day of the month following
16 the widow's attainment of age sixty, whichever is the later,
17 and shall terminate upon her death.

18 “(c) Any officer or employee in good health retiring
19 under the provisions of section 1 or 2 of this Act may at
20 the time of his retirement elect to receive in lieu of the life
21 annuity described herein a reduced annuity payable to him
22 during his life, and an annuity after his death payable to a
23 survivor annuitant, duly designated in writing and filed with
24 the Civil Service Commission at the time of his retirement,
25 during the life of such survivor annuitant equal to 50 per

1 centum of such reduced annuity and upon the death of such
2 survivor annuitant all payments shall cease and no further
3 annuity shall be due and payable. The annuity hereunder
4 payable to the officer or employee shall be 90 per centum
5 of the life annuity otherwise payable if the survivor annuitant
6 is the same age or older than the annuitant, or is less than
7 five years younger than the annuitant; 85 per centum if
8 the survivor annuitant is five but less than ten years younger;
9 80 per centum if the survivor annuitant is ten but less than
10 fifteen years younger; 75 per centum if the survivor annui-
11 tant is fifteen but less than twenty years younger; 70 per
12 centum if the survivor annuitant is twenty but less than
13 twenty-five years younger; and 60 per centum if the survivor
14 annuitant is twenty-five or more years younger. No such
15 election shall be valid until the retiring officer or employee
16 shall have satisfactorily passed a physical examination as
17 prescribed by the Civil Service Commission.

18 “(d) For the purpose of this Act all periods of service
19 shall be computed in accordance with section 5 hereof, and
20 the monthly annuity installment shall be fixed at the nearest
21 dollar.

22 “(e) The term ‘basic salary, pay, or compensation’,
23 wherever used in this Act, shall be so construed as to exclude
24 from the operation of the Act all bonuses, allowances, over-

1 time pay, or salary, pay, or compensation given in addition
2 to the base pay of the position as fixed by law or regulation.”

3 SEC. 5. The first paragraph of section 5 of the Act of
4 May 29, 1930, as amended, is amended to read as follows:

5 “Subject to the provisions of section 9 hereof, the aggregate
6 period of service which forms the basis for calculating the
7 amount of any annuity provided in this Act shall be computed
8 from the date of original employment, whether as a classified
9 or an unclassified officer or employee in the civil service of
10 the United States, or in the service of the District of Colum-
11 bia, including periods of service at different times and in
12 one or more departments, branches, or independent offices,
13 or the legislative branch of the Government, and also periods
14 of service performed overseas under authority of the United
15 States, and periods of honorable service in the Army, Navy,
16 Marine Corps, or Coast Guard of the United States; in the
17 case of an officer or employee, however, who is eligible for
18 and receives retired pay on account of military or naval
19 service, the period of service upon which such retired pay
20 is based shall not be included, except that in the case of an
21 officer or employee who is eligible for and receives retired
22 pay on account of a service-connected disability incurred in
23 combat with an enemy of the United States or resulting from
24 an explosion of an instrument of war, the period of the mili-
25 tary service shall be included: *Provided*, That an officer or

1 employee must have served for a total period of not less than
2 five years exclusive of such military or naval service before
3 he shall be eligible for annuity under this Act. Nothing in
4 this Act shall be construed as to affect in any manner an
5 officer's or employee's right to retired pay, pension, or com-
6 pensation in addition to the annuity herein provided."

7 SEC. 6. The first three paragraphs of section 6 of the
8 Act of May 29, 1930, as amended, are amended to read as
9 follows:

10 "Any officer or employee to whom this Act applies who
11 shall have served for a total period of not less than five
12 years computed as provided in section 5 of this Act, and
13 who, before meeting the age and service requirements for
14 retirement under section 1 (a) hereof, becomes totally dis-
15 abled for useful and efficient service in the grade or class
16 of position occupied by the officer or employee, by reason
17 of disease or injury not due to vicious habits, intemper-
18 ance, or willful misconduct on the part of the officer or
19 employee, shall upon his own application or upon the re-
20 quest or order of the head of the department, branch, or
21 independent office concerned, be retired on an annuity com-
22 puted in accordance with the provisions of section 4 hereof:
23 *Provided*, That proof of freedom from vicious habits, intem-
24 perance, or willful misconduct for a period of more than five
25 years next prior to becoming so disabled for useful and effi-

1 cient service, shall not be required in any case. No officer
2 or employee shall be retired under the provisions of this sec-
3 tion unless examined by a medical officer of the United
4 States, or a duly qualified physician or surgeon, or board
5 of physicians or surgeons, designated by the Civil Service
6 Commission for that purpose, and found to be disabled in
7 the degree and in the manner specified herein. No claim
8 shall be allowed under the provisions of this section unless
9 the application for retirement shall have been executed prior
10 to the applicant's separation from the service or within six
11 months thereafter. The time limitation for execution of
12 claims for retirement under the terms of this section may be
13 waived by the Civil Service Commission in case of an officer
14 or employee who at the date of separation from service or
15 within six months thereafter is receiving hospital treatment,
16 but the application in such case must be filed with the Civil
17 Service Commission not later than six months after the ter-
18 mination of such hospitalization; in the case of any such per-
19 son heretofore separated from service application may be
20 filed within six months after the effective date of this Act.
21 Such time limitation may similarly be waived in the case
22 of an officer or employee who at the date of separation
23 from service or within six months thereafter is mentally
24 incompetent, but the application in such case must be filed
25 with the Civil Service Commission within one year from

1 the date of restoration of such person to competency or the
2 appointment of a fiduciary whichever is the earlier.

3 “Every annuitant retired under the provisions of this
4 section unless the disability for which retired be permanent
5 in character, shall at the expiration of one year from the date
6 of such retirement and annually thereafter, until reaching
7 age sixty, be examined under the direction of the Civil Serv-
8 ice Commission by a medical officer of the United States, or
9 a duly qualified physician or surgeon, or board of physicians
10 or surgeons designated by the Civil Service Commission for
11 that purpose, in order to ascertain the nature and degree of
12 the annuitant’s disability, if any. If an annuitant shall re-
13 cover before reaching age sixty and be restored to an earn-
14 ing capacity which would permit him to be appointed to
15 some appropriate position fairly comparable in compensa-
16 tion to the position occupied at the time of retirement, pay-
17 ment of the annuity shall be continued temporarily to afford
18 the annuitant opportunity to seek such available position,
19 but not in any case exceeding one year from the date of the
20 medical examination showing such recovery. Should the
21 annuitant fail to appear for examination as required under
22 this section, payment of the annuity shall be suspended until
23 continuance of the disability shall have been satisfactorily
24 established. The Civil Service Commission may order or

1 direct at any time such medical or other examination as it
2 shall deem necessary to determine the facts relative to the
3 nature and degree of disability of any officer or employee
4 retired on an annuity under this section.

5 "If a recovered disability annuitant whose annuity is
6 discontinued subsequent to June 30, 1945, shall fail to obtain
7 reemployment in any position included in the provisions of
8 this Act, he shall be considered as having been separated
9 from the service within the meaning of section 7 of this
10 Act as of the date he was retired for disability and shall,
11 after the discontinuance of the disability annuity, be entitled
12 to a deferred annuity in accordance with the provisions of
13 such section."

14 "SEC. 7. Section 7 of the Act of May 29, 1930, as
15 amended, is amended to read as follows:

16 "SEC. 7. (a) Should any officer or employee to whom
17 this Act applies after having rendered five years of service,
18 computed as prescribed in section 5 of this Act, but less than
19 ten years of creditable civilian service and before becoming
20 eligible for retirement under section 1 (a) of this Act become
21 separated from the service, such officer or employee shall be
22 paid as he may elect, (A) a deferred annuity beginning at
23 the age of sixty-two years, or the age at separation if beyond
24 the age of sixty-two computed as provided in section 4 (a)
25 of this Act, or (B) the total amount credited to his individual

1 account together with interest at 4 per centum per annum
2 to December 31, 1947, and 3 per centum per annum there-
3 after compounded on December 31 of each year to date of
4 separation.

5 “(b) Should any officer or employee to whom this Act
6 applies, after having rendered at least ten years of creditable
7 civilian service and before becoming eligible for retirement
8 under section 1 (a) of this Act become separated from the
9 service, such officer or employee shall be paid a deferred
10 annuity beginning at the age of sixty-two years.

11 “(c) All amounts returned to an officer or employee
12 under this section must upon reinstatement, retransfer, or re-
13 appointment to a position within the purview of this Act be
14 redeposited by such officer or employee before he may
15 received full credit for the service covered by the refund.”

16 SEC. 8. Section 8 of the Act of May 29, 1930, as
17 amended, is amended to read as follows:

18 “SEC. 8. In the case of any officer or employee who
19 before the effective date of this Act shall have been retired
20 on annuity under the provisions of the Act of May 22, 1920,
21 as amended, or section 8 (a) of the Act of June 16, 1933,
22 the annuity shall be increased, effective on the first day of
23 the fourth month following the month in which this Act is
24 enacted by 25 per centum or \$300, whichever is the lesser:
25 *Provided*, That each such annuitant may, prior to the effec-

1 tive date herein prescribed, elect to retain his or her present
2 annuity, in lieu of the increased annuity provided by this
3 section, and name his wife or her husband to receive upon
4 his or her death one-half of his or her present annuity but
5 not to exceed \$600 per annum during the remainder of the
6 life of such surviving husband or wife and upon the death
7 of such survivor no further annuity shall be due or payable.

8 “In case any officer or employee shall have been sep-
9 arated subsequent to January 23, 1942, and prior to effective
10 date of this Act and have acquired title to annuity under
11 section 7 of the Act of May 29, 1930, as amended, beginning
12 after such effective date, such annuity shall be computed in
13 accordance with section 4 of this Act but any reduction
14 applicable thereto shall be determined as if this Act had not
15 been enacted: *Provided*, That any such officer or employee
16 may elect to forfeit his right to such annuity and elect in lieu
17 thereof to receive the benefits provided by section 7 of this
18 Act.”

19 SEC. 9. Section 9 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 9. Each officer or employee within the purview
22 of this Act may deposit to the credit of the ‘civil-service
23 retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum
24 of his basic salary, pay, or compensation received for services
25 rendered after July 31, 1920, and prior to July 1, 1926;

1 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
2 services rendered from and after July 1, 1926, and prior to
3 July 1, 1942; 5 per centum of said basic pay, salary, or
4 compensation for services rendered from and after July 1,
5 1942, and prior to the first day of the first pay period in
6 1948, and also 6 per centum thereafter, covering service dur-
7 ing which no deductions were withheld for deposit in the said
8 fund. Each such officer or employee may elect to make such
9 deposits in installments during the continuance of his service
10 in such amounts and under such conditions as may be deter-
11 mined in each instance by the Civil Service Commission.
12 The amount so deposited shall be credited to the individual
13 account of the officer or employee in the said fund. Upon
14 making such deposit, the officer or employee shall be entitled
15 to full credit for the period or periods of service involved:
16 *Provided*, That no deposit shall be required for any service
17 rendered prior to August 1, 1920, or for periods of honorable
18 service in the Army, Navy, Marine Corps, or Coast Guard of
19 the United States.”

20 SEC. 10. The first two paragraphs of section 10 of the
21 Act of May 29, 1930, as amended, are amended to read as
22 follows:

23 “Beginning as of July 1, 1942, there shall be deducted
24 and withheld from the basic salary, pay, or compensation of
25 each officer or employee to whom this Act applies a sum

1 equal to 5 per centum of such officer's or employee's basic
2 salary, pay, or compensation: *Provided*, That from and
3 after the first day of the first pay period in 1948, there shall
4 be deducted and withheld from the basic salary, pay, or
5 compensation of each officer or employee to whom this Act
6 applies a sum equal to 6 per centum of such officer's or
7 employee's basic salary, pay, or compensation. The amounts
8 so deducted and withheld from the basic salary, pay, or
9 compensation of each officer or employee shall, in accord-
10 ance with such procedure as may be prescribed by the
11 Comptroller General of the United States, be deposited in
12 the Treasury of the United States to the credit of the civil-
13 service retirement and disability fund created by the Act
14 of May 22, 1920, and said fund is hereby appropriated for
15 the payment of annuities, refunds, and allowances as provided
16 in this Act.

17 "Any officer or employee may at his option and under
18 such regulations as may be prescribed by the Civil Service
19 Commission deposit additional sums in multiples of \$25 but
20 not to exceed 10 per centum of his annual basic salary, pay,
21 or compensation, for service rendered since August 1, 1920,
22 which amount together with interest thereon at 3 per centum
23 per annum compounded as of December 31 of each year,
24 shall, at the date of his retirement, be available to purchase,
25 as he shall elect and in accordance with such rules and

1 regulations as may be prescribed by the Civil Service Com-
2 mission, an annuity in addition to the annuity provided
3 by this Act. The life annuity shall consist of \$7 for each
4 \$100 in case the officer or employee has not reached age
5 sixty; \$8 if he has reached age sixty but not age sixty-five;
6 \$9 if he has reached age sixty-five but not age seventy; and
7 \$10 if he has reached age seventy. In the event of death
8 or separation from the service of such officer or employee
9 before becoming eligible for retirement or annuity, the total
10 amount so deposited with interest at 3 per centum per
11 annum to date of death or separation compounded on De-
12 cember 31 of each year shall be refunded in accordance with
13 the provisions of section 12 of this Act.”

14 SEC. 11. Section 12 of the Act of May 29, 1930, as
15 amended, is amended to read as follows:

16 “SEC. 12. (a) Under such regulations as may be pre-
17 scribed by the Civil Service Commission the amounts de-
18 ducted and withheld from the basic salary, pay, or compensa-
19 tion of each officer or employee for credit to the ‘civil-service
20 retirement and disability fund’ created by the Act of May
21 22, 1920, covering service from and after August 1, 1920,
22 shall be credited to an individual account of such officer or
23 employee.

24 “(b) (1) In the case of any officer or employee to
25 whom this Act applies who shall become absolutely sep-

1 arated from the service before he shall have completed an
2 aggregate of five years of service computed as prescribed
3 in section 5 of this Act, or who shall be transferred to a
4 position not within the purview of this Act, the amount
5 credited to his individual account together with interest at
6 4 per centum per annum to December 31, 1947, and 3
7 per centum per annum thereafter compounded on December
8 31 of each year to date of separation shall be returned to
9 such officer or employee: *Provided*, That in computing
10 interest under this subsection, a fractional part of a month
11 in the total service covered by the refund shall be disre-
12 garded, and no interest shall be allowed in any case unless
13 the service covered by the refund aggregates more than one
14 year.

15 “(2) All amounts returned to an officer or employee
16 under this subsection must, upon reinstatement, retransfer,
17 or reappointment to a position within the purview of this
18 Act, be redeposited by such officer or employee before he
19 may receive full credit for the service covered by the refund.

20 “(c) (1) In case any officer or employee to whom
21 this Act applies shall die after having rendered at least five
22 years of civilian service computed as prescribed in section 5
23 of this Act and is survived by a widow, such widow shall
24 be paid an annuity beginning the first day of the month
25 following the death of the officer or employee or following

1 the widow's attainment of age sixty, whichever is the later,
2 equal to 50 per centum of the amount of an annuity com-
3 puted as provided in section 4 (a) hereof with respect to
4 such officer or employee: *Provided*, That such payments
5 shall cease upon death of the widow.

6 “(2) In case any officer or employee to whom this
7 Act applies shall die after having rendered at least five years
8 of civilian service computed as prescribed in section 5 of
9 this Act, or after having retired subsequent to the effective
10 date of this Act under section 1, 2, or 6, and is survived
11 by a widow and a child or children, such widow shall be
12 paid an immediate annuity equal to 50 per centum of the
13 amount of an annuity computed as provided in section 4
14 (a) hereof with respect to such officer or employee. Such
15 annuity shall be terminable upon the death of such widow,
16 her attainment of age sixty, or upon termination of depend-
17 ency of the last surviving child by reason of (A) his at-
18 taining the age of eighteen years, (B) his marriage, or
19 (C) his death, whichever first occurs, except that if such
20 child is incapable of self-support by reason of mental or
21 physical disability his dependency shall terminate only upon
22 his death, marriage, or recovery from such disability.

23 “(d) As used in this Act—

24 “(1) The term ‘widow’ means a surviving wife of an
25 individual, who either (A) shall have been married to such

1 individual for at least five years immediately preceding his
2 death, or (B) is the mother of issue by such marriage.

3 “(2) The term ‘child’ means an unmarried child, in-
4 cluding a dependent stepchild or an adopted child, under
5 the age of eighteen years, or an unmarried child who be-
6 cause of physical or mental disability is incapable of self-
7 support.

8 “(3) Questions of dependency and disability arising
9 under this section shall be determined by the Civil Service
10 Commission and its decisions with respect to such matters
11 shall be final and conclusive and shall not be subject to re-
12 view. The Commission may order or direct at any time
13 such medical or other examinations as it shall deem neces-
14 sary to determine the facts relative to the nature and degree
15 of disability of any annuitant or applicant for annuity under
16 this section, and may suspend or deny any such annuity
17 for failure to submit to any such examination.

18 “(e) In case an officer or employee to whom this Act
19 applies shall die (1) before having rendered five years of
20 civilian service computed as prescribed in section 5 of this
21 Act or without a survivor entitled to annuity benefits pro-
22 vided by section 12 (c) hereof the total amount of deduc-
23 tions credited to his individual account with interest thereon
24 at 4 per centum per annum to December 31, 1947, and 3 per
25 centum per annum thereafter compounded on December 31

1 of each year to date of death, or (2) leaving a survivor en-
2 titled to such annuity benefits the total amount of deductions
3 credited to his individual account without interest, shall be
4 paid upon the establishment of a valid claim therefor, in the
5 following order of precedence:

6 “First, to the beneficiary or beneficiaries designated in
7 writing by such officer or employee and recorded with the
8 Civil Service Commission;

9 “Second, if there be no such beneficiary, to the duly ap-
10 pointed executor or administrator of the estate of such officer
11 or employee;

12 “Third, if there be no such beneficiary or executor or
13 administrator, payment may be made, after the expiration of
14 thirty days from the date of the death of the officer or em-
15 ployee, to such person or persons as may appear in the judg-
16 ment of the Civil Service Commission to be legally entitled
17 thereto, and such payment shall be a bar to recovery by any
18 other person.

19 “(f) In case of death of a retired employee (1) who
20 has not elected a joint and survivorship annuity as provided
21 in section 4 (c) of this Act and who has not received in
22 annuities an amount equal to the total amount credited to
23 his individual account with interest thereon at 4 per centum
24 per annum to December 31, 1947, and 3 per centum per
25 annum thereafter compounded on December 31 of each year

1 to date of retirement, or (2) who has elected a joint and
2 survivorship annuity as provided in section 4 (b) of this
3 Act and who has not received in annuities an amount equal
4 to the total amount credited to his individual account, the
5 difference and/or any accrued annuity due shall be paid
6 upon the establishment of a valid claim therefor, in the order
7 of precedence specified in subsection (e) hereof: In case
8 any separated officer or employee who is entitled to a de-
9 ferred annuity as provided in section 7 (a) or 7 (b) hereof
10 shall die before having established a valid claim for annuity,
11 the total amount credited to his individual account with in-
12 terest thereon at 4 per centum per annum to December 31,
13 1947, and 3 per centum per annum thereafter compounded
14 on December 31 of each year to date of death, shall be paid
15 upon the establishment of a valid claim therefor in the order
16 of precedence specified in subsection (e) hereof.

17 “(g) Where any payment under this Act is to be made
18 to a minor, or to a person mentally incompetent or under
19 other legal disability adjudged by a court of competent juris-
20 diction, such payment may be made to the person who is
21 constituted guardian or other fiduciary by the law of the
22 State of residence of such claimant or is otherwise legally
23 vested with the care of the claimant or his estate: *Provided,*
24 That where no guardian or other fiduciary of the person
25 under legal disability has been appointed under the laws

1 of the State of residence of the claimant, the Civil Service
2 Commission shall determine the person who is otherwise
3 legally vested with the care of the claimant or his estate.

4 “(h) In case a former employee entitled to the return
5 of the amount credited to his individual account shall become
6 legally incompetent, the total amount due may be paid to
7 a duly appointed guardian or committee of such former em-
8 ployee. If the amount of refund due such former employee
9 does not exceed \$1,000, and if there has been no demand
10 upon the Civil Service Commission by a duly appointed
11 guardian or committee, payment may be made, after the
12 expiration of thirty days from date of separation from the
13 service, to such person or persons, in the discretion of the
14 Commission, who may have the care and custody of such
15 former employee, and such payment shall be a bar to
16 recovery by any other person.

17 “(i) Each employee or annuitant to whom this Act
18 applies shall, under regulations prescribed by the Civil
19 Service Commission, designate a beneficiary or beneficiaries
20 to whom shall be paid, upon the death of the employee or
21 annuitant any sum remaining to his credit (including any
22 accrued annuity) under the provisions of this Act.”

23 SEC. 12. The first paragraph of section 13 of the Act of
24 May 29, 1930, as amended, is amended to read as follows:

1 “Annuities granted under the terms of this Act shall
2 accrue monthly and shall be due and payable in monthly
3 installments on the first business day of the month following
4 the month or other period for which the annuity shall have
5 accrued. Payment of all annuities, refunds, and allowances
6 granted hereunder shall be made by checks drawn and issued
7 by the Treasury Department in such form and manner and
8 with such safeguards as shall be prescribed by the Civil
9 Service Commission in accordance with the laws, rules, and
10 regulations governing accounting that may be found applica-
11 ble to such payments.”

12 SEC. 13. The third paragraph of section 13 of the Act of
13 May 29, 1930, as amended, is amended to read as follows:

14 “An annuity granted for retirement under the provisions
15 of section 1 or 2 of this Act shall commence the first day
16 of the month following the date of separation from the service,
17 or on the first day of the month following the month in which
18 salary shall cease provided the employee meets the age and
19 service requirements for retirement at that time, and shall
20 continue during the life of the annuitant. An annuity
21 granted under the provisions of section 6 or 7 hereof shall be
22 subject to the limitations specified in said sections.”

23 SEC. 14. Section 14 of the Act of May 29, 1930, as
24 amended, is hereby repealed.

1 SEC. 15. Except as otherwise provided herein, this Act
2 shall become effective on the first day of the fourth month
3 following the month of approval.

Passed the House of Representatives July 21, 1947.

Attest:

JOHN ANDREWS,
Clerk.

[Report No. 746]

AN ACT

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

JULY 22 (legislative day, JULY 16), 1947
Read twice and referred to the Committee on
Civil Service

JULY 24 (legislative day, JULY 16), 1947
Reported with an amendment

53. PEANUT QUOTAS. Passed without amendment H. R. 4124, to make various changes in the peanut-quota provisions under the Agricultural Adjustment Act of 1938 (p. 10464). This bill will now be sent to the President.
 54. RESEARCH, MARKETING. Passed without amendment H. R. 4110, regarding distribution of appropriations, rather than authorizations, under the Research and Marketing Act of 1946 (p. 10464). This bill will now be sent to the President.
 55. AGRICULTURAL STUDIES. Agreed, as reported, to S. Res. 147, to authorize the Agriculture and Forestry Committee to investigate needs, trends, etc., of agriculture (pp. 10479-80).
 56. REMOUNT SERVICE. Sen. Morse, Oreg., inserted a statement favoring H. R. 3484, to transfer the Remount Service to the Agriculture Department, and said he would support its passage at the next session (pp. 10635-7).
 57. FCA AUDIT. Received the GAO audit report on FCA corporations; to Expenditures in the Executive Departments Committee (p. 10456).
 58. TRANSPORTATION. Sen. Reed, Kans., discussed "the cotton belt case" regarding transportation and said this was "unequal justice under law" (pp. 10511-13).
 59. MISSOURI VALLEY AUTHORITY. Sen. Revercomb, W. Va., reviewed the accomplishments to date in carrying out the objectives of S. 1156, to establish an MVA (pp. 10519-20).
- Both Houses
60. PRICE INVESTIGATION. /agreed, without amendment, to S. Con. Res. 19, to provide for an investigation of the reasons for high prices by the Joint Committee on the Economic Report (pp. 10468-9, 10476-7, 10560).
 61. MINERALS. Passed without amendment H. R. 1602, to continue authority for RFC subsidies on minerals (pp. 10480, 10520-2, 10605-8). This bill will now be sent to the President.
 62. SMALL BUSINESS. Agreed, with amendment, to S. Res. 153, to provide \$50,000 additional for investigations by the Small Business Committee (pp. 10461-3). Sen. Fulbright, Ark., inserted a statement regarding the newsprint situation (pp. 10461-3).
 63. LATIN AMERICA. Passed without amendment H. R. 4168, to provide for reincorporation of the Institute of Inter-American Affairs (pp. 10461). This bill will now be sent to the President.
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64. PERSONNEL RETIREMENT. Sens. Langer, N. Dak., and Maybank, S. C., spoke in favor of H. R. 4127, the omnibus civil-service retirement bill (pp. 10467, 10517).
 65. FOREIGN INFORMATION. Passed without amendment S. Con. Res. 29, providing for a Joint Committee on Government Information Programs to investigate activities of the State Department and other Government agencies to acquaint peoples of foreign countries with the U. S., its people and their activities, and the policies and objectives of its Government (pp. 10469-70, 10475-6).
 66. SURPLUS PROPERTY. Passed as reported S. 1302, to authorize WAA to donate surplus property to organizations for athletic and sports programs (p. 10471).
 67. CLAIMS. Passed as reported H. R. 3690, to amend the Federal Tort Claims Act

regarding death statutes and decisions in Ala. and Mass. (p. 10472). The House later concurred in the amendments (pp. 10558-9). This bill will now be sent to the President.

68. RURAL ELECTRIFICATION. Sen. Langer, N. Dak., inserted a "letter to the farmers" criticizing cuts in the REA estimates (p. 10500).

HOUSE - July 26

69. WOOL-PRICE SUPPORTS. Passed without amendment S. 1498, to provide for price supports on wool (pp. 10529-39). This bill will now be sent to the President. Rejected an amendment by Rep. Herter, Mass., to provide for support at 90% of parity rather than the 1946 level (p. 10537). Rejected, 64-128, a motion by Rep. Herter to recommit the bill with instructions to insert this amendment (p. 10539).

70. GARBAGE IMPORTATION. Concurred in the Senate amendments to H. R. 597, to regulate the importation and depositing of garbage (pp. 10581, 10458). This bill will now be sent to the President.

71. FARM TRAINING. Concurred in the Senate amendments to H. R. 2181, to liberalize the farm-training provisions of the Servicemen's Readjustment Act (p. 10551). This bill will now be sent to the President.

72. HOUSING INVESTIGATION. Refused to concur in the Senate amendment to H. Con. Res. 104, providing for a joint investigation of housing (p. 10550). Later the Senate receded from its amendment (p. 10501).

73. AUDITS. Agreed, without amendment, to H. Res. 352, providing for the printing of GAO audit reports as H. documents during recess (p. 10597).

74. WAR DEPARTMENT CIVIL APPROPRIATION BILL. Both Houses agreed to the conference report on H. R. 4002 (pp. 10560-8, 10631-5). This bill will now be sent to the President. During debate on this conference report, Sen. Taylor, Idaho, discussed his previous statements, and statements by the Forest Service, regarding depletion of forest resources (pp. 10634-5).

75. APPROPRIATIONS. Rep. Dirksen, Ill., commended the efforts of Chairman Taber of the Appropriations Committee regarding appropriation matters (p. 10585).

76. AGRICULTURE COMMITTEE. Rep. Gross, Pa., reviewed accomplishments of this Committee (p. 10586).

76a.

ADJOURNMENT, ETC.

Both Houses agreed to adjourn until Jan. 2, 1948, or 3 days after being recalled by the President pro tem of the Senate, the Speaker of the House, and the 2 majority leaders, acting jointly. Both Houses also passed without amendment S. J. Res. 156, to provide that the second regular session of the 80th Congress begin Jan. 6, 1948. (pp. 10599, 10601, 10642-3, 10649.) The Senate was still in session July 27 when the Congressional Record went to press, and its continued proceedings will be included in the next issue of the Record. The Joint Committee on Printing announced that the last issue of the Congressional Record for the first session will be printed not later than Aug. 15, 1947 (p. 10455).

Bills upon which final action was not completed, retain their present status at the beginning of the next session and do not need to be re-introduced.

The PRESIDENT pro tempore. The bill will be passed over.

MODOC NATIONAL FOREST, CALIF.

The bill (H. R. 3395) to add certain lands to the Modoc National Forest, Calif., was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

Mr. CHAVEZ. Mr. President, before the bill goes over, I wonder if I may make an inquiry of the Senator from Ohio [Mr. TAFT]. It is the so-called civil-service retirement bill which has been reported by the Committee on Civil Service. I wonder if the Senator from Ohio will tell the Senate whether it is the purpose of the majority, as it has organized its program, to have this bill on a motion to take it up.

Mr. TAFT. Mr. President, we have neither placed it on or off the list. It is a bill which I am afraid will excite considerable debate. I cannot give the Senator any assurance as to whether we shall reach it today. It certainly should be dealt with at some time.

Mr. LANGER. Mr. President, I wish to serve notice on the Republican leadership that if this bill is not taken up and voted on before the Senate adjourns I intend to place the responsibility squarely upon the Republican leadership of the Senate. Time and time again, Mr. President, the matter has been brought to the attention of the Republican leadership; and yet when the Republican policy committee met on this bill, I, as chairman of the Committee on Civil Service, was not invited to attend. My advice was never sought. The committee reported the bill by a vote of 12 to 1. Today I want to say to every Federal employee that if the Republican leadership does not permit a vote on this bill I shall advise them to vote the Democratic ticket at the next election. We are entitled to a vote on this bill. We begged for it and asked for it; and as chairman of the committee I want to fix the responsibility squarely where it belongs, Mr. President, and I do not want any mistake about that.

Mr. CHAVEZ. Mr. President—

The PRESIDENT pro tempore. The Senator from New Mexico has spoken once on the matter. Under the rules he is not entitled to speak again.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to call to the attention of the Senate the fact that Calendar No. 792, House bill 4127, is a very important bill, affecting approximately 2,000,000 Federal workers. The chairman of the Committee on Civil Service a few moments ago spoke of the number of votes in committee for the bill. In the committee there was only one vote against it.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. CHAVEZ. Is it not fair to say, in view of the remarks made by the Senator from North Dakota, the Republican members of the committee, with one exception, voted to report out this bill?

Mr. JOHNSTON of South Carolina. I shall answer that question by saying that the statement is absolutely true. All the Democrats in the committee voted for it, and all the Republicans, with one exception, voted for it. I do not care to draw lines here and say that it is a Democratic bill or that it is a Republican bill. All the members of the committee except one voted to report the bill, feeling that something should be done to relieve the situation in regard to the payments to retired civil-service workers. In 1942 when we increased the amount to be paid in by the civil-service workers from 3½ percent to 5 percent, they at that time received practically nothing for the additional amount they were paying into the fund, and they should now, after the war is over, receive greater benefits than they are receiving at the present time. We feel that they can receive such benefits out of the fund, without costing the Government any additional amount. The bill will cost the workers 1 percent more, as it increases their contribution from 5 percent to 6 percent; but it will pay to the retired workers annuities sufficient at least to keep them alive. The increase will not be large, but sufficient to keep them alive in the face of the advancing cost of living.

So we urge that both Democrats and Republicans vote to pass this bill in order to do justice to the civil-service workers of the United States. I shall not say to the Members on this side of the aisle that I will support the Republican Party if this bill is not passed today. Coming from South Carolina, never would I vote the Republican ticket, regardless of how Senators may vote, but I was glad to hear a Republican Senator say that he would advocate the election of a Democratic Congress if this bill should not be passed. I hope that the Senator will continue to make such statements. If this bill is not passed I hope that the retired civil-service employees will know that it is not the Senators on the Democratic side who are holding it up. We are ready to vote now. I believe we would on this side vote almost unanimously for the bill. So I hope the Republican policy committee will decide to make it a "must" bill.

Mr. CAPEHART. Mr. President, I favor House bill 4127 and shall vote for it when it comes before the Senate. However, I want to say that I am not a member of the steering committee of the Republican Party, but I am opposed to the Republican chairman of a committee, the Senator from North Dakota [Mr. LANGER] rising in his place and trying to bulldoze and dictate to the Republican Party. The Senator from North Dakota made the statement that he was going to advise people to vote the Democratic ticket if the bill is not passed.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I refuse to yield. The Senator said he was going to advise people to vote Democratic. My observation has been that the Senator from

North Dakota is more of a Democrat than he is a Republican. My recommendation is that he go over and sit with the Democrats and run on their ticket and become a member of the Democratic Party. As one Republican, I am sick and tired of seeing Republicans run on the Republican ticket, accept favors at the hands of the Republican Party, accept chairmanships at the hands of the Republican Party, and then rise on the floor of the Senate, desert their party, and advise people to vote the Democratic ticket. I have no objection to voters voting the Democratic ticket. I admire a good Democrat or a good Republican. But I do not like to see Members of our party rise on the floor of the Senate and try to bulldoze the Republican Party into doing this, that, or the other thing.

I simply want the American people to know where I stand. I want the Senator from North Dakota to know where I stand; I want the Republican Party to know where I stand, and I want the Democratic Party to know where I stand.

Mr. WILLIAMS. Mr. President, I wish to state that the failure to give consideration to the retirement bill is not the fault of the Republican Party. I have never approached the policy committee in any effort to block the bill and I am not asking now that the bill be withheld from consideration as regular business here today.

I desire, however, to call attention to the fact that for over 3 months this retirement bill has been on the Senate Calendar, and on two different occasions I have challenged the accuracy of the committee report. On both those occasions I have challenged the chairman of the committee, the sponsor of the bill, to stand on the floor of the Senate and defend his bill. However, at no time has he ever answered any of my arguments. At no time during this 3-months' period has he ever made a motion to bring up the bill for consideration. During this time there have been many chances to do so. There have been occasions when the Senate has taken a recess for 2 or 3 days because there was no business before it.

The reason why this retirement bill has not been brought before the Senate is that the committee report is inaccurate and the Senator from North Dakota knows he cannot defend his report. There are many inaccuracies and misrepresentations in it. Again I challenge the Senator from North Dakota, as the sponsor of the bill, to bring the bill before the Senate for consideration. So far, his only effort to have this bill passed has been on calendar call, when debate is limited to 5 minutes.

Mr. LANGER. Mr. President—

The PRESIDENT pro tempore. The bill goes over. The Senator from North Dakota has spoken once. Under the rule, he will have to wait until other business is transacted before he can speak again.

The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (H. R. 4010) to authorize the Treasury Department and the United States Government Printing Office to

furnish or to procure and furnish administrative materials, supplies, and equipment to public international organizations on a reimbursable basis was announced as next in order.

The PRESIDENT pro tempore. This is a companion bill to a Senate bill which has previously been passed over on the call of the calendar. Accordingly, this bill will be passed over.

MRS. BEULAH HART

The bill (H. R. 1730) for the relief of Mrs. Beulah Hart was considered, ordered to a third reading, read the third time, and passed.

GRAFF, WASHBOURNE & DUNN

The bill (H. R. 1534) for the relief of Graff, Washbourne & Dunn was considered, ordered to a third reading, read the third time and passed.

COMMEMORATIVE STAMPS, CENTENNIAL ANNIVERSARY OF HENDERSON AND LUELLING

The Senate proceeded to consider the bill (S. 1564) to authorize the issuance of a special series of stamps commemorative of the centennial anniversary of the movement of Henderson and Seth Luelling to the Oregon country, which had been reported from the Committee on Civil Service with an amendment, on page 1, in line 7, after the word "movement," to strike out "of" and insert "to," so as to make the bill read:

Be it enacted, etc., That the Postmaster General is authorized and directed to prepare for issuance, on as early a date as practicable during the calendar year 1947, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the centennial anniversary of the movement to the Oregon country of Henderson and Seth Luelling, the founders of horticulture west of the Rocky Mountains, and of the epic removal by Henderson Luelling of living nursery of fruit grafts in an ox wagon from Salem, Iowa, to Milwaukie, Oreg., which became the foundation of the great fruit farms and industry of the West.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LAGUNA BAND OF MISSION INDIANS OF CALIFORNIA

The bill (H. R. 3064) authorizing and directing the Secretary of the Interior to issue a patent in fee to the surviving members of the Laguna Band of Mission Indians of California was considered, ordered to a third reading, read the third time, and passed.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What action was taken on Calendar No. 796, Senate bill 1564?

The PRESIDENT pro tempore. That bill was passed.

The clerk will state the next bill on the calendar.

LOANS TO OSAGE INDIANS WHO SERVED IN WORLD WAR II

The bill (H. R. 3325) to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Re-

adjustment Act of 1944, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DANIEL BROKEN LEG

The bill (H. R. 3696), authorizing the issuance of a patent in fee to Daniel Broken Leg was considered, ordered to a third reading, read the third time, and passed.

PER CAPITA PAYMENT TO FORT BERTHOLD INDIANS

The bill (S. 1133) providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LUCAS. Mr. President, may we have a slight explanation of the bill, as to its cost?

The PRESIDENT pro tempore. Does the Senator from Illinois request a slight explanation?

Mr. LUCAS. Yes; I ask for a slight explanation, lasting not more than 3 or 4 minutes.

Mr. YOUNG. Mr. President, after long years of litigation the Fort Berthold Indians secured a judgment against the United States for certain claims. The Seventy-ninth Congress appropriated \$400,000 to take care of that judgment. That money now lies to the credit of these Indians in the United States Treasury, and it is drawing 4 percent interest.

Under this bill the Indians will be given \$150 apiece, or a total of \$300,000. The money belongs to them. I see no reason why it should not be distributed according to the rules of their tribal council.

Mr. LUCAS. I should like to know what the exact cost will be.

Mr. YOUNG. It will be \$300,000, and there still will remain in the Treasury, to their credit, \$100,000.

Mr. LUCAS. Is the \$300,000 included in the President's budget that was sent to Congress in January?

Mr. YOUNG. The bill does not cost anything, inasmuch as the money now lies in the Treasury to the credit of these Indians and requires no budget estimate.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CHAVEZ. Mr. President, in order to clear the Record, I ask the Senator from North Dakota if it is not a fact that the Treasury has this money, which belongs to the Indians, and that all the bill provides for is that their money shall be distributed to them to this extent.

Mr. YOUNG. Mr. President, that is correct. I should like to add that the Fort Berthold Indians have always been on the side of the United States, going back to 1804 or 1805, when they housed, fed, and otherwise took care of the Lewis and Clark Expedition. This expedition would have failed had it not been for the kindly deeds of these Indians. Both by their kindly deeds and the furnishing of a guide to help them on their way

through the dangerous territory lying between there and the Pacific coast.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Lands, with an amendment, on page 1, in line 7, after the words "North Dakota", to strike out "per capita" and insert "\$150 per capita, out of", so as to make the bill read:

Be it enacted, etc., That within 60 days from the date of enactment of this act the Secretary of the Interior shall withdraw from the Treasury, and pay to the enrolled members of the Indians of the Fort Berthold Indian Reservation in North Dakota, \$150 per capita, out of the balance of the principal and interest of the amount appropriated in settlement of certain claims of such Indians pursuant to the last paragraph preceding the heading "Miscellaneous Indian Tribal Funds," in the first section of the Interior Department Appropriation Act, 1947, remaining after the fees and expenses authorized by such paragraph to be paid from such appropriation shall have been paid or provided for. The money paid to such members under this act shall not be subject to any lien or claim of any nature against any of such members.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. LANGER. Mr. President, I wish to say that this is a very worthy bill. As my colleague has said, this matter has been in the course of disposal since 1866. This is a typical example of how long it takes before Indians get justice in this country—in this case, nearly 100 years before they could get this money, after they were entitled to it.

The PRESIDENT pro tempore. The bill has been passed, anyway.

BILL PASSED OVER

The bill (S. 1698) to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes, was announced as next in order.

Mr. WATKINS. Mr. President, when this bill was introduced, it was understood that all the departments were in favor of it and that all of them had been consulted. Later it appeared that the Department of Justice had some questions about the bill. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

INVESTIGATION OF HIGH PRICES OF CONSUMER GOODS—NOTICE OF REQUEST FOR CONSIDERATION

Mr. BALDWIN. Mr. President, I should like to give notice now that I intend to call up, at the end of the calendar, Calendar No. 770, Senate Concurrent Resolution 19, establishing a joint committee to investigate high prices of consumer goods. The consideration of the resolution was objected to last night. The Senator from Idaho [Mr. TAYLOR], who interposed the objection, is not now on the floor. I have not seen his this morning. This is an extremely important measure, and it should receive the attention of the Senate. It was

British a monopoly on that trade, that the British were trying to "develop and improve the backward Chinese people?" Or is it by grabbing the rubber of Java or the tin of Malaya, or the oil of the Middle East that our western Christian-civilized countries are endeavoring to "develop and advance the backward peoples of those lands?"

Why is it that precisely in those countries where the greed of empires is being cloaked in the holy grab of preserving peace and order that precisely in those countries disturbances, violence, and unrest are more prevalent than anywhere else on this earth? Could it not be that the presence of those guardians of peace and law and order who are trying so hard to "keep apart" one section of the population from the other is the main root of all the evil? Might it not be that the British who so self-righteously have assigned to themselves the task of "keeping apart" Moslems and Hindus in India, Arab, and Hebrews in Palestine, are the main reason for unrest and disturbances?

It occurs to me that law and order would be much better served if those guardians of law and order would pack up and get back where they came from instead of continuing to pester the local population by inciting one segment against the other. I am pretty sure that law and order in Palestine would be much better served if the British who imposed upon that country so-called emergency regulations, who abolished the last vestiges of orderly government, who deny to the people of Palestine the most elementary human rights and civil liberties, would quit and leave the Hebrews and the Arabs of Palestine to settle their own affairs in peace and mutual cooperation. Neither the Hebrews nor the Arabs of Palestine are savages or underdeveloped peoples in need of any tutelage.

I am confident that peace and order would be better served not only in Palestine alone, but the world over if the British would once and for all be compelled to withdraw from Palestine, and if that country would at long last be opened to its rightful owners, the Hebrew people, for them to rebuild the Holy Land as their free and independent State. I am sure of this, despite the fact that the British propaganda mills are trying to sell us the idea that if another single Hebrew were permitted to enter Palestine the whole Moslem world would erupt in a cold rage and wage war on Britain and the rest of the western world. Let me just cite one instance proving the utter futility of this argument of a holy war of Islam, so efficiently expounded by the British Foreign Office. There is a war being waged against a Moslem people of 77,000,000 in Indonesia by the Dutch. The people of Indonesia, Mohammedans in good standing, are fighting for independence and survival against Dutch and British imperialism of the Orient. Not a single word was uttered by the Arab league states who claim monopoly of the defense of Islam. They who so loudly talk about a holy war in the Middle East seem to have forgotten their brethren in Indonesia. They who so arrogantly defied

the United Nations and tried to blackmail it by all sorts of devious and underhand procedure, remain utterly silent when Mohammedans are being slaughtered on the islands of Java and Sumatra. Could it be that the so much publicized Mohammedan solidarity is just another myth born somewhere and trumpeted from Cairo only because the Middle Eastern potentates are so richly paid in oil royalties that they would lend themselves to broadcast anything necessary?

Mr. President, I have allowed myself to take the time of my colleagues at this late hour because this is the last chance for the Senate of the United States to make its voice heard on these crucial matters. The coming few months will be fateful ones in determining the course of events that may lead to another cataclysm which would finally engulf the whole world, including the United States, in a holocaust even more terrible than the one from which the world has just emerged. We cannot pretend that we are not directly involved in the misdeeds of the numerous imperialisms rampant in the world. It is our money, our armaments, it is our equipment, that are being used for the subjugation of peoples who deserve freedom and independence in no less a degree than we deserve them ourselves. This country, which prided itself on being the arsenal of democracy, must not become the arsenal of and financier to all the corrupt imperialisms of the world. The United States must not become the bondsman ever ready to bail out any criminal imperialism caught red-handed in the act of aggression against a peaceful people in the faraway confines of the world.

We are no longer a nation in adolescence. We must once and for all realize that in the course of our history we have grown up and that we have long since reached the age of full responsibility. We must devise and follow up a positive foreign policy. We must stop begging of any imperialists. We must act and act on our own. We have assumed obligations, both moral and legal toward the people of the world. We signed, as far back as 1924, a treaty on Palestine with Great Britain, taking our full share of responsibility for the implementation of the mandate and for the reestablishment of Palestine as the homeland of the Hebrew people. We can no longer afford to evade our responsibilities. We must act. Senate Joint Resolution 149 is a step in this direction. It is a step towards redeeming our honor and fulfilling our commitments and obligations.

If we fail to act soon we shall be guilty of complicity in that hideous crime against humanity which is called imperialism. For if we fail to act soon to rescue the 4,500 pitiful human beings who are being cast like driftwood in the Mediterranean, if we permit the British to force them back into Europe, the graveyard of their loved ones, instead of helping them to get back home to Palestine, if we fail to ask the French not to lend any help to the British in perpetrating that crime, we shall be as guilty as any one of the empires. And if some day we shall have to pay a heavy price for our sins, we shall not be able to say that our conscience is clear.

The PRESIDENT pro tempore. The question is on agreeing to Senate Resolution 137.

The resolution was agreed to.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. MAYBANK. Mr. President, I wish to make an observation or two in connection with Senate bill 637, Calendar 144, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, sponsored by the Senator from North Dakota [Mr. LANGER] and the Senator from New Mexico [Mr. CHAVEZ], which would increase payments to retired civil-service employees. The bill was reported from the committee on April 25, 1947. A similar House bill was reported from the committee and placed on the calendar on July 24, 1947.

Mr. President, I have received many communications, by letter, telegram, and through personal conference, urging adoption of the legislation. I hope that before Congress adjourns this evening we will pass the House bill, because, after all, the employees affected feel the pinch resulting from increased prices. I am absolutely convinced that they are more than entitled to the relief granted by the bill. Unfortunately, I am not a member of the Committee on Civil Service. I have spoken to the Senator from New Mexico and other members of the committee with the hope that the Senate bill might be taken up for consideration. Now that the House bill has been placed on the calendar, I hope it will be considered and passed.

A HOLLOW VICTORY—EDITORIAL FROM THE WASHINGTON STAR

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "A Hollow Victory," published in today's Washington Evening Star.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HOLLOW VICTORY

By stalling off a vote on the Kem resolution to investigate the Kansas City vote fraud, the Senate Democrats may well find that they have won a battle only to lose the larger political war. For the political implications of what has happened will loom large in next year's campaign.

The question at issue was whether the Department of Justice should be investigated for its handling or mishandling of the inquiry into fraudulent voting in last year's Democratic primary in Missouri's Fifth Congressional District. That was the election in which President Truman enlisted the aid of the Pendergast machine to drive former Representative Slaughter from public life.

As soon as the votes were tallied it became apparent that the election was "fixed," and that Mr. Slaughter was the victim of fraud in the Pendergast-controlled wards. Nevertheless, the Department of Justice was loath to move in. It was not until after a newspaper, the Kansas City Star, had turned up conclusive evidence of fraud that the Attorney General ordered the FBI to look into the case. Even then, by express direction of the Attorney General, the investigation was preliminary in character and severely restricted in scope.

This resulted in failure to find evidence of violations of Federal, as distinguished from State, law, and the Attorney General ordered the case to be closed. Later on, however,

after the theft of supposedly incriminating ballots and after the Republican-controlled Senate had begun to probe into the matter, the Attorney General authorized the calling of a special Federal grand jury, and that body has already returned five indictments for alleged violations of Federal law which were not discovered in the preliminary investigation.

Naturally, this raises the question of why the FBI was not given the green light in the first instance. Why was it limited to an investigation of restricted scope when, as subsequent events have shown, evidence of Federal violations was present? The Senate, although possibly for partisan reasons, wants an answer to this question. So do a good many other people, however, who have no partisan interest in the matter, but who are concerned with the spectacle of fraudulent elections and the seeming reluctance of responsible Federal officials to dig into them.

Ordinarily, when a Federal agency has nothing to hide, it welcomes investigation of its conduct. If the Department of Justice has nothing to hide in this instance, why has the Attorney General remained silent while the Democrats in the Senate have fought to smother this proposed investigation?

Perhaps this question is unfair to the Attorney General and the Senate Democrats. Perhaps they have nothing to hide. But they can be sure that they will hear the question asked again and again when the Republicans take to the hustings next year. All in all, again assuming that there was nothing to hide, it looks as though the Democratic political strategy has been anything but smart.

THE LEGISLATIVE BUDGET

Mr. MYERS. Mr. President, I ask unanimous consent that a statement prepared by me may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I was perhaps naive last February in believing that when we were devoting days and days to a discussion of whether the budget could or should be cut by \$6,000,000,000 or \$4,500,000,000, it was because the Senate and the Congress actually intended to follow the requirements of our own basic law, our Reorganization Act, and to carry out the provisions of that act for the establishment of a legislative budget.

There was enough heat generated on the other side of the aisle in that discussion over the extravagance and the profligacy and the waste and the inefficiency and the overlapping and the duplication represented by President Truman's \$37,500,000,000 budget for the current fiscal year to have heated the Halls of Congress and the Senate office building and the two House office buildings and the Library of Congress and the Supreme Court and still have enough left over to pipe some of it into Republican national headquarters in case Mr. Carroll Reece and his staff, by some misadventure, stopped being hot under the collar and began to cool off a little bit. Oh, Mr. President, how we on this side of the aisle were condemned and castigated and attacked without mercy in the press and over the radio and here in this Chamber for our position at that time which was merely that before we start setting a fixed ceiling on the amount of money we intended to appropriate for this fiscal year, it might be a good idea to have a rough idea, at least, of what the requirements would be and to know a little bit about how \$4,500,000,000 or \$6,000,000,000 could be cut from that budget without disrupting our worldwide foreign policy, our commitments to friendly nations, our essential programs for maintaining America's role as a power determined—determined, I repeat—to see to it

that freedom is restored insofar as possible throughout the world and is established in some areas of the world where it has never existed and that free peoples have the opportunity to determine their own destinies as peoples and as nations, and that the United Nations be given every opportunity and encouragement and assistance in bringing about, in this unhappy world of ours, some measure of real and enduring peace and security and freedom from aggression.

That was one aspect of the problem. Another was the necessity for maintaining our Army and Navy and Air Forces at a strength equal to the task of guaranteeing America's security with enough power to spare to lend strength and support to collective machinery for maintaining the peace.

Then, too, we wondered what would happen to our \$7,000,000,000 program for veterans. It seemed pretty obvious that the Congress would be no more inclined to cut these obviously justified expenditures to keep faith with the veteran than it would to try to reduce the \$5,000,000,000 payment of interest on the national debt. The latter cut would have been fiscally impossible, and the other item of cutting veterans' benefits would have been politically, if not impossible, then at least inexpedient.

So there we were last winter arguing back and forth about whether the budget could or should be cut \$6,000,000,000 or \$4,500,000,000 and the able and distinguished Senator from New Hampshire, the chairman of the Senate Appropriations Committee told us not to worry, that even though he couldn't give us the breakdown on how \$6,000,000,000 would be cut from the budget, he had such a breakdown, and he knew, and he would let us know at the appropriate time, and we could rest assured of the security of all of the essential functions of Government and let it up to the judgment of him and a gentleman from New York in the other body, who heads a similar committee.

I tried to find out in detail what the \$6,000,000,000 cut or the \$4,500,000,000 cut as proposed would mean to such programs, aside from the vital urgent aspects of foreign policy and national defense, as the school-lunch program, soil conservation, enforcement of the wage-hour act, the taking of various censuses, including a business census, so important to an intelligent appraisal of the economic condition of our Nation, flood control, rivers and harbors, mine safety, Bureau of Mines research work in minerals and in fuels, public works planning in preparation for future periods of unemployment, in terms of housing, public health, effective rent control, Federal aid to education, air safety, the Federal aid airport program, peacetime development of atomic energy, conservation of our forests and natural resources, expansion of social security and broadening of coverage, and a multitude of essential and important and traditional functions of Government which have become part of the fabric of our national life to such an extent that the Republican national platform of 1944 endorsed them all without exception and even went so far as to promise that were a Republican administration elected in 1944, not only would these programs be continued, but that actually the Republicans, under Mr. Dewey's banner, would make the Democrats and the New Deal administration of Franklin Roosevelt look like pikers in our efforts of recent years to raise the living standards of our people and put our economy on a firm foundation buttressed by that one most essential pillar of economic stability which is mass purchasing power and mass well-being at the bottom of our economic level, so that this towering superstructure of business and industry and finance can prosper.

Mr. President, I said I tried to find out in detail what would happen to these programs under a \$6,000,000,000 or \$4,500,000,000 cut in the budget. Of course I failed to

find out. The gentleman from New Hampshire, the able chairman of the Senate Appropriations Committee, who claimed to have this information, had labeled it top secret in the same way that he and a few other Senators several years ago preserved the secret of the atomic bomb.

Well, Mr. President, the results are in now. The first session of the Eightieth Congress is grinding to an end. We have got the score card now. We know where we stand. The Senator from Maryland [Mr. TYDINGS] on the basis of nearly complete returns, informed us last night that the actual reduction so far with all of the big appropriation bills just about out of the way, comes to just about \$1,250,000,000 and this does not take into consideration the fact that millions and millions and millions more have been authorized for appropriation early next year on a deficiency basis.

So it would seem, Mr. President, that not only has the legislative budget disappeared from sight, buried somewhere in a Senate-House conference committee, which may or may not ever have had a meeting on it, but that the Republican leadership in the House, which was insisting on a \$6,000,000,000 cut in the budget, and the Republican leadership in the Senate which was insisting on a \$4,500,000,000 cut—although a goodly number of our Republican colleagues here were complaining that that was too small, and that the House figure was more realistic—were both doing exactly what we on this side of the aisle said they were doing, and that is playing blind-man's-buff blindfolded and in the dark and trying to come up with a magic figure which had nothing more in the way of evidence to support it than the wishes of a select few Republican Members of the House and Senate.

Do you remember, Mr. President, that when we urged delay on the legislative budget until the joint committee was able to provide us with a document which really had some facts in it, the Senator from New Hampshire, who personally favored a \$6,000,000,000 cut in the budget, threw up his hands in horror and cried "No," no delay whatsoever, because the congressional Reorganization Act, the La Follette-Monroney Act, required that this resolution be submitted by February 15 and that what the Senators on this side of the aisle, what I and other members of my party were proposing, was—and he was very upset about this—we were proposing, he said, violation of the Congressional Reorganization Act. He was horrified at the very idea.

So we took action in the dark in early March on the legislative budget, and here it is, Mr. President, July 26, in the very last hours of the first session of the Eightieth Congress and we still have no legislative budget.

That is why, Mr. President, I ask what had happened to this resolution which the Republican leadership was in such frantic haste to pass more than 4 months ago.

Now it so happened that after that long and extended debate on the legislative budget the Senator from Ohio [Mr. TAFT] decided that the Democrats were stalling. He announced day and night sessions would be held if the Democrats did not stop stalling. Here is the headline "Taft hits Democrats for delay tactics." Now I have marked in red here one paragraph halfway down in this story by Jerry O'Leary of the Star when he wrote that story of the momentous decision of the Senator from Ohio to hold night sessions—day and night sessions—if the Democrats did not stop stalling. This is the paragraph:

"Pressed for details on his charge of Democratic delays, Senator TAFT mentioned only the recent budget ceiling resolution. He said there seemed to be an unnecessary amount of debate in that issue."

from the Army Department to USDA (p. 81).

At the request of Sen. Lucas, Ill., S. 669, to provide for the payment of a bonus of 30¢ per bushel on wheat and corn sold at certain dates (p. 79).

At the request of Sens. Wherry (Nebr.) and Chavez (N.Mex.), S. 637 and H.R. 4127, to amend the Civil Service Retirement Act (pp. 79, 89). Sen. Taft announced that "we hope to call up this bill or the Stevenson bill sometime during the month of January" (p. 79).

At the request of Sen. Lucas, Ill., S. 299, to extend the reclamation laws to Ark. (p. 79).

At the request of Sen. Taft, Ohio, S. 430, to cover officers and employees of the national farm loan association and the production credit associations under the Civil Service Retirement Act (p. 88).

At the request of Sen. Magnuson, Wash., H.R. 1826, making it a petty offense to enter any national forest land while it is closed to the public (p. 89).

At the request of Sen. McCarran, Nev., S.Con.Res. 6, to include all general appropriation bills in one consolidated general appropriation bill (p. 81). *

9. AGRICULTURAL INVESTIGATION. At the request of Sen. Thye, Minn., S.Con.Res. 11, creating a joint committee to investigate certain matters affecting agriculture, was indefinitely postponed (p. 81).
10. IRRIGATION. Passed without amendment H.R. 3834, to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district, N.Mex. (p. 91). This bill will now be sent to the President.
11. FOREIGN AFFAIRS. Sen. Wherry, Nebr., announced that it is intended to take up on Friday, Jan. 16, H.R. 3342, to provide for a foreign informational and education program (pp. 96-7).
12. LABOR. Received from the Labor Department the report of the Wage and Hour and Public Contracts Divisions of the Labor Department (p. 75).
13. COST OF LIVING. Received a resolution of the Common Council of Milwaukee, Wis., recommending measures to curb the high costs of living (p. 76).
14. FOREST LANDS; ALASKA. Received a National Congress of American Indians memorial remonstrating against the enactment of S.J.Res. 162, to rescind certain orders establishing Indian reservations in Alaska and to prohibit further establishment of such reservations (p. 76).
15. PERSONNEL; VETERANS BENEFITS. At the request of Sen. Taft, Ohio, S. 1657, to enable veterans who are civil-service employees to take advantage of the Servicemen's Readjustment Act of 1944 by granting leaves for educational purposes under certain conditions, was rereferred to the Post Office and Civil Service Committee. (p. 78).
16. ADJOURNED until Wed., Jan. 14. (p. 97).

* Sen. Taft, Ohio, announced: "We hope we may be able to work out something on this subject in connection with the possible amendment of the LaFollette-Monroney Act, to postpone the date on which the budget resolution is to be passed" (p. 81).

BILLS INTRODUCED

17. INFLATION. S. 1967, by Sen. Morse, Oreg., to provide for a coordinated anti-inflation program. To Banking and Currency Committee. Remarks of author. (p. 77.)
18. FOREIGN AID. H. R. 4904, by Rep. Case, S. Dak., to provide for the inspection and transportation of clothing and food to encourage voluntary contributions to persons in occupied areas. To Armed Services Committee. (p. 123.)
19. PERSONNEL. H. R. 4917, by Rep. Rees, Kans., to provide further benefits for certain employees of the U. S. who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces and who, due to service-connected disabilities, are unable to perform the duties of the positions for which examinations were taken. To Post Office and Civil Service Committee. (pp. 123-4.)

ITEMS IN APPENDIX

20. COMMODITY EXCHANGES. Sen. Ball, Minn., inserted a Washington Post article by H. A. Bullis, "Hedging Reduces Processor's Risks—Grain Trading Cuts Your Bread Bill" (pp. A84-6).
21. INFLATION. Rep. Rich, Pa., inserted a statement on "how to combat inflation" by the Economists' National Committee on Monetary Policy (pp. A90-1).
22. MONOPOLIES. Rep. Kefauver, Tenn., inserted his address recommending strengthening of anti-trust legislation (pp. A106-2).
23. TENNESSEE VALLEY AUTHORITY. Rep. Kefauver inserted a Chattanooga Times article supporting TVA (p. A117).
24. CONGRESSIONAL REORGANIZATION. Rep. Kefauver inserted an article by D. C. Coyle, "Reorganizing Congress—What Remains To Be Done" (pp. A124-7).
25. FOREIGN AID; PRICE CONTROL. Extension of remarks of Rep. Schwabe, Okla., "People of the Southwest Oppose Marshall Plan and Price Controls" (p. A127). (pp. A137).
26. MARGARINE TAXES. Extension of remarks of Rep. Robertson, N. Dak., "Dairy Interests Not Responsible for the 10-Cent Tax on Oleomargarine" (pp. A129-30). Rep. Buck, N. Y., inserted a New York Times article opposing special margarine taxes (p. A134).

COMMITTEE HEARINGS ANNOUNCEMENTS for Jan. 13: S. Foreign Relations, foreign aid (Anderson to testify); S. Appropriations, commodity speculation (Graham to testify); S. Banking and Currency, price control (Schwellenbach to testify); H. Agriculture, long-range farm program (Pres. Hannah of U. of Mich. to testify); S. Armed Service Hungarian horses (ex.); S. Civil Service, investigation of Federal officers and employees; H. Appropriations, independent offices, labor-federal security, State, Justice, Commerce, and Judiciary; Treasury-Post Office, and War Department, civil functions appropriations (ex.); H. Expenditures in Executive Departments, RGC audit; H. Foreign Affairs, foreign aid; Joint Committee on Housing. For Jan. 14: S. Agriculture, surplus alcohol plants (Howard, AIC; and Wyckoff, PMA, to testify).

Lucas	Murray	Taft
McCarran	O'Connor	Taylor
McCarthy	O'Daniel	Thomas, Okla.
McClellan	O'Mahoney	Thomas, Utah
McFarland	Pepper	Thye
McGrath	Reed	Tobey
McKellar	Revercomb	Vandenberg
McMahon	Robertson, Va.	Watkins
Magnuson	Robertson, Wyo.	Wherry
Malone	Russell	Wiley
Maybank	Smith	Williams
Millikin	Sparkman	Willson
Moore	Stennis	Young
Morse	Stewart	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Kentucky [Mr. COOPER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is necessarily absent on official business of the Committee on Public Lands.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Louisiana [Mr. OVERTON] are absent on public business.

The Senator from Maryland [Mr. TYDINGS], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The ACTING PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

The ACTING PRESIDENT pro tempore. For the benefit of Senators who were not present when the previous announcement was made, the Chair will state that under the order of Friday last the Senate will now proceed to the consideration of bills on the calendar to which there may be no objection, beginning with the first order number thereon. The Chair calls attention to the fact that under the rule a Senator is entitled to speak once and for 5 minutes only upon any question.

The clerk will state the first order of business on the calendar.

BILL PASSED OVER

The bill (S. 27) to provide for suspending the enforcement of certain obligations against the operators of gold and silver mines who are forced to cease operations because of the war was announced as first in order.

Mr. WHERRY. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

COMMEMORATIVE MEDALS IN LIEU OF COINS

The Senate proceeded to consider the bill (S. 865) to provide for the striking of medals in lieu of coins for commemorative purposes.

Mr. LUCAS. Mr. President, may we have an explanation of the bill?

Mr. FLANDERS. Mr. President, I urge the passage of this bill, which is a bill to end all bills for the striking of commemorative coins. It provides for

the striking of medals in lieu of coins for commemorative purposes.

Mr. LUCAS. I should like to ask the Senator a question. Am I to understand that this bill is one of a number of such bills?

Mr. FLANDERS. No. This is a bill to end special coinage bills.

Mr. LUCAS. I am in favor of such a bill.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote uniformity in the designs of the various coins of the United States, to facilitate their proper use as circulating media, to enable counterfeit pieces to be readily detected, and to avoid the confusion which arises from special issues of commemorative coins, it is declared to be the policy of the United States to authorize the striking of commemorative medals in lieu of commemorative coins and to discontinue the striking of such coins.

SEC. 2. The Director of the Mint shall enter into contracts subject to such terms and conditions as the Director shall prescribe, with the approval of the Secretary of the Treasury, for the striking and furnishing of such commemorative medals as may be authorized from time to time by law. The striking and furnishing of medals pursuant to this section shall be subject to the provisions of section 3551 of the Revised Statutes, except that the dies necessary for the preparation of such medals may be prepared at the mint, with the machinery and apparatus thereof, from suitable models submitted to and approved by the Director of the Mint. The Director of the Mint shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost. Notwithstanding the provisions of section 3552 of the Revised Statutes (U. S. C., title 31, sec. 369), all proceeds received from the manufacture of such medals shall be credited to the appropriation against which the cost of manufacture has been charged.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 669) to provide for the payment of a bonus of 30 cents per bushel on wheat and corn produced and sold between January 1, 1945, and April 18, 1946, was announced as next in order.

Mr. LUCAS. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 25) amending rule XXII relating to cloture was announced as next in order.

Mr. LUCAS. Let the resolution go over.

The ACTING PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 354) to incorporate the Federal City Charter Commission, was announced as next in order.

Mr. WHERRY, Mr. JOHNSTON of South Carolina, and other Senators: Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 866) to establish a national housing objective and the policy to be followed in the attainment thereof, to

facilitate sustained progress in the attainment of such objective and to provide for the coordinated execution of such policy through a National Housing Commission, and for other purposes, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

Mr. TAFT. Mr. President, we hope to call up this bill or the Stevenson bill sometime during the month of January. However, I believe that this bill should be passed over at the present time.

The bill (S. 408) to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes, was announced as next in order.

Mr. TAFT. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 299) to extend the reclamation laws to the State of Arkansas was announced as next in order.

Mr. LUCAS. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 309) designating American Indian Day was announced as next in order.

Mr. HATCH. Mr. President, reserving the right to object, I have heretofore objected to this bill, and there has been some question as to why I objected to it. On a previous occasion I stated that I would be glad to honor the Indians by designating some special day for paying proper tribute to them. However, until the obligation which this Government owes to the Indians in my State and elsewhere throughout the Nation is fulfilled, I do not feel that the passage of a bill setting aside an Indian Day means anything. It is but an empty gesture. I do not wish to make empty gestures. Therefore I object.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

EXPENSES OF SEVENTEENTH TRIENNIAL CONVENTION, WORLD'S WOMAN'S CHRISTIAN TEMPERANCE UNION

The bill (H. R. 1179) to aid in defraying the expenses of the Seventeenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1948, was announced as next in order.

Mr. WHERRY and other Senators: Over.

Mr. THOMAS of Utah. Mr. President, will the Senator who objected to consideration of the bill withhold his objection for just a moment?

The ACTING PRESIDENT pro tempore. Without objection, the Senator may proceed.

Mr. THOMAS of Utah. Mr. President, this is a very small and unimportant bill from the standpoint of the money proposed to be appropriated. However, it is an exceedingly important bill from the standpoint of what we have done in the

past, and the reason for which the appropriation is asked.

For more than 51 years international conferences of women who have been working for temperance throughout the world have been held. This is the second time the conference has come to the United States. The first time the Congress of the United States appropriated \$10,000 to help defray expenses. This time the State Department recommended an appropriation of \$5,000, which would be adequate, because fewer persons attended the conference.

The House passed the bill. The Secretary of State recommended passage of the bill, and in its recommendation attention was called to the fact that we are trying to teach democracy throughout the world, and that international conferences of people always contribute to that end. I think it would be extremely improper, and not the right thing to do on the part of the Senate, to hold up this small appropriation. I trust that objection will be withheld, and that the bill will be passed. The appropriation asked for is \$5,000. The convention has already been held. However, certain obligations were incurred, and I think we owe some sort of moral obligation, in view of what the House of Representatives has already done.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Utah. I yield.

Mr. McMAHON. Will the Senator tell me why Congress should pay the expenses of any private group which might see fit to hold a convention? Why do we not pay the expenses of other international conventions?

Mr. THOMAS of Utah. The Congress has paid the expenses of other international conventions. This is no new thing. The idea of international conventions has been to bring together the peoples of many nations to discuss problems which are common to all of them. While most of the international meetings are official in nature, many international meetings are unofficial. Very often the problems discussed in international meetings affect the governments themselves. Nearly always the purposes of the meetings are for the benefit of the people of the various countries. I hope there will be no objection to the passage of this bill.

Mr. LUCAS. Mr. President, a Senator who had previously objected to consideration of the bill has stated to me that if he were present he would ask that the bill be passed over. Under the circumstances I regret that I feel obliged to ask that the bill be passed over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 1125) to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942, was announced as next in order.

Mr. McCARRAN. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

INCREASE IN PER DIEM SUBSISTENCE ALLOWANCES

The Senate proceeded to consider the bill (S. 544) to further amend section 3 of the Subsistence Expense Act of 1926, as amended, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, to strike out all after the enacting clause and insert:

That the Subsistence Expense Act of 1926, as amended, is repealed and that this act may be cited as the "Subsistence Expense Act of 1947."

SEC. 2. When used in this act—

(1) The term "departments and establishments" means any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government, including the services included in the Pay Readjustment Act of 1942, as amended, and including wholly owned Government corporations and the municipal government of the District of Columbia.

(2) The term "subsistence" means lodging, meals, and other necessary expenses incidental to the personal sustenance or comfort of the traveler.

(3) The term "actual expenses" means the actual amounts necessarily expended by the traveler for subsistence.

(4) The term "per diem allowance" means a daily flat rate of payment in lieu of actual expenses.

SEC. 3. Officers and employees of the departments and establishments, while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance at a rate not to exceed \$8 within the limits of the continental United States and in case of travel beyond the limits of the continental United States not to exceed rates to be established by the Director of the Budget under authority of this section. Such allowances shall be uniform for all officers and employees of the departments and establishments, and shall be established by the Director of the Bureau of the Budget after giving due consideration to geographical location and cost of living studies and to type of work of the traveler and conditions under which the traveler operates.

SEC. 4. The fixing and payment, under section 3 of this act, of per diem allowances, or portions thereof, shall be in accordance with regulations which shall be promulgated by the Director of the Bureau of the Budget.

SEC. 5. The heads of departments and establishments, under regulations which shall be prescribed by the Secretary of the Treasury for the protection of the United States, may advance through the proper disbursing officers from applicable appropriations to any person entitled to per diem allowances under this act such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced and not used for allowable travel expense shall be recovered from the person to whom advanced, or his estate, by deduction from any amount due from the United States or by such other legal method of recovery as may be necessary.

SEC. 6. This act shall not be construed to modify or repeal any act providing for the traveling expenses of the President of the United States.

SEC. 7. The following acts and parts of acts and all other acts, general or special, which are inconsistent with or in conflict with the provisions of this act (except such acts or parts of acts as specifically fix or now permit rates higher than the maximum rates established under this act), insofar as they provide for per diem allowances in lieu of subsistence, including mileage allowances, are

hereby repealed or modified but only to the extent of inconsistency or conflict with the provisions of this act: The Subsistence Expense Act of 1926, as amended; section 12 of the Pay Readjustment Act of 1942, as amended.

SEC. 8. Wherever provision is made in any law for the payment of per diem allowances to officers and employees in any branch or establishment of the Government not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926, such law is hereby amended to provide for payment at the rates prescribed in or under this act.

SEC. 9. Nothing in this act shall be construed to authorize any department or establishment to exceed its appropriation for subsistence expense in any fiscal year.

SEC. 10. This act shall take effect upon the expiration of 90 days after the date of its enactment.

Mr. AIKEN. Mr. President, the Senator from Ohio [Mr. BRICKER] has submitted several amendments to the committee amendment. The bill had been objected to by the armed services. The amendments submitted by the Senator from Ohio were aimed at meeting the objections of the armed services. On behalf of the Senator from Ohio, I offer the amendments which he has submitted.

The ACTING PRESIDENT pro tempore. There is a committee amendment striking out all after the enacting clause and inserting new language. The amendments offered by the Senator from Vermont on behalf of the Senator from Ohio [Mr. BRICKER] will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, line 14, after the comma, to strike out the phrase reading, "including the services included in the Pay Readjustment Act of 1942, as amended, and."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 2, line 25, to insert the word "civilian" before the word "officers."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 4, line 9, to strike out section 7 and insert the following:

SEC. 7. All acts, general or special, which are inconsistent with or in conflict with the provisions of this act (except such acts or parts of acts as specifically fix or now permit rates higher than the maximum rates established under this act) are hereby repealed or modified but only to the extent of inconsistency or conflict with the provisions of this act.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Subsistence Expense Act of 1926, as amended, is repealed and that this act may be cited as the "Subsistence Expense Act of 1947."

SEC. 2. When used in this act—

(1) The term "departments and establishments" means any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government, including wholly owned Government corporations and the municipal government of the District of Columbia.

Agriculture to make the surveys, but, in the absence of the words "or hereafter", he was not sure of his authority with respect to anything that might arise subsequently. The amendment of the law would clarify the matter, so that the Secretary could make such surveys, that having been intended, obviously, by the original bill. Through a weakness in the wording of the law, there was confusion as to whether the Secretary was authorized to make such surveys following the passage of the act, or was limited to making surveys previously authorized. The pending measure clarifies the matter so that the Secretary would know he could make the surveys independently.

Mr. LUCAS. I should like to inquire whether the Senator from Louisiana approved the pending bill.

Mr. MALONE. I am sure he approved it; otherwise, it would not be here.

Mr. LUCAS. I am not so sure of that, since the Senator from Louisiana is but one member of the committee.

Mr. REVERCOMB. It is entirely satisfactory with me to have the matter go over. May I suggest that it go over temporarily until the Senator from Illinois can be advised from the record vote of the committee whether or not the Senator from Louisiana acted upon it?

Mr. LUCAS. Over.

The PRESIDING OFFICER. The bill will go over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1663) to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress, was announced as next in order.

Mr. JOHNSTON of South Carolina. Over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H. J. Res. 231) providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 968) to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

Mr. LUCAS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1653) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

Mr. LUCAS. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. TAFT. I may say that both bills are covered by the general extension of power to control exports, so they are unnecessary. Neither of the bills is necessary, and I think perhaps they can be removed from the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, with respect to Calendar No. 732, House bill 4042, and Calendar No. 733, Senate bill 1653, what the Senator from Ohio has said may be accurate; I am not sufficiently advised upon the question involved to determine whether it is. It does seem to me, however, that the bills should not be stricken from the calendar at this time without consultation with the Senator from Indiana [Mr. CAPEHART], who reported both bills from the Committee on Interstate and Foreign Commerce, and who is author of the Senate bill.

The PRESIDING OFFICER. Does the Senator from Illinois desire that the action by which the bills were removed from the calendar be reconsidered?

Mr. LUCAS. I think I should like to make such a motion. I see the Senator from Indiana now in the Chamber. I did not know he was present.

Mr. TAFT. Mr. President, I should say that I did not move that the bills be postponed indefinitely. I simply suggested that they might be. I was going to say that perhaps the bills could be removed from the calendar if that would be agreeable to the proponent of the bills, the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. By indirection the Chair made the order.

Mr. LUCAS. I think it all occurred by indirection. The Senator from Indiana is present and can speak for himself.

Mr. CAPEHART. By indirection I suggest that the Chair withdraw his order, and that the action which was taken be reconsidered.

The PRESIDING OFFICER. The Senator from Indiana asks that the action by which the bills in question were removed from the calendar be reconsidered. Is there objection? The Chair hears none, and the bills will be restored to the calendar, and will be passed over.

BILLS PASSED OVER

The bill (H. R. 1350) to amend the act to establish a National Archives of the United States Government, and for other purposes, was announced as next in order.

Mr. CHAVEZ. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1015) to amend section 7 of the act of June 25, 1910, as amended, to reduce the interest rate on postal-savings deposits to 1 percent per annum was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 1826) making it a petty offense to enter any national forest land while it is closed to the public, was announced as next in order.

Mr. MAGNUSON. Over.

Mr. CAPPER. Mr. President, the bill originated with the Department of Agri-

culture and has the hearty support of the Department. The bill was passed by the House without objection. The Senate Committee on Agriculture and Forestry was unanimously in favor of it. It really is important that the bill be passed. I certainly hope the objection will be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill? Is this the Stevenson bill?

Mr. CHAVEZ. I make the request that the bill go over temporarily in order that I may be able to orient myself with respect to the general situation in connection with similar legislation.

The PRESIDING OFFICER. The bill will be passed over temporarily.

BOUNDARY OF THE UINTAH AND OURAY INDIAN RESERVATION IN UTAH

The Senate proceeded to consider the bill (S. 1698) to define the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah, and for other purposes, which had been reported from the Committee on Public Lands with amendments.

The first committee amendment was on page 3, line 2, after "quarter", to strike out "said."

The amendment was agreed to.

The next amendment was on page 3, line 18, after "quarter", to strike out "said."

The amendment was agreed to.

The next amendment was page 3, line 20, after "quarter", to strike out "said."

The amendment was agreed to.

The next amendment was on page 5, line 25, after "quarter", to strike out "said."

The amendment was agreed to.

The next amendment was on page 11, line 7, after the word "along" to strike out "Mill" and insert "Hill."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The question is on the engrossment and third reading of the bill.

Mr. MORSE. Mr. President, in keeping with the objection I raised a while ago I ask that the bill, as it is now amended, be reprinted with the amendments, and that it be returned to the calendar for consideration at the next call of the calendar.

The PRESIDING OFFICER. The Chair is advised that the bill as it is now printed contains the committee amendments. The amendments which have been acted upon are all committee amendments.

Mr. MORSE. I spoke under a misapprehension. Then I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1698) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the exterior boundary of the Uintah and Ouray Reservation in Grand and Uintah Counties, in the State of Utah, for the benefit of the Ute Indian Tribe of the Uintah and Ouray Reservation, is hereby extended to include the following area:

Beginning at the northwest corner of section 18, township 9 south, range 20 east, Salt Lake meridian, and running thence west to Green River;

Thence northeasterly up Green River approximately thirteen miles to a point where said river intersects the north line of section 11, township 8 south, range 20 east;

Thence east along said section line seven miles to the northeast corner of section 12, township 8 south, range 21 east, Salt Lake meridian;

Thence south along section line two miles to the northeast corner of section 24, township 8 south, range 21 east, Salt Lake meridian;

Thence east one mile to the northeast corner of section 19, township 8 south, range 22 east; thence south one mile to the southeast corner of said section 19; thence east two miles to the northeast corner of section 28;

Thence south six miles to the southeast corner of section 21, township 9 south, range 22 east, Salt Lake meridian;

Thence west eleven miles to the northeast corner of section 27, township 9 south, range 20 east, Salt Lake meridian;

Thence south eight miles to the southeast corner of section 34, township 10 south, range 20 east;

Thence west one and one-half miles to the south quarter corner of section 33;

Thence north one-half mile to the center of said section 33;

Thence east one-fourth of a mile to the southwest corner of the southeast quarter northeast quarter, said section 33;

Thence north one mile to the southeast corner of the southwest quarter northeast quarter, section 28;

Thence west one-quarter of a mile to the center of said section 28;

Thence south one-fourth of a mile to the southeast corner of the northeast quarter southwest quarter, said section 28;

Thence west one-fourth of a mile to the north rim of Big Pack Mountain;

Thence southwesterly along said rim approximately one and one-half miles to the north quarter corner of section 4, township 11 south, range 20 east;

Thence south three-fourths of a mile to the southeast corner of the northeast quarter southwest quarter, said section 4;

Thence west one-fourth of a mile to the northeast corner of the southwest quarter southwest quarter, said section 4;

Thence south one-half mile to the southeast corner of the northwest quarter northeast quarter, section 9;

Thence west one-half mile to the southwest corner of the northeast quarter northeast quarter, section 8;

Thence south three-fourths of a mile to the southeast corner of the southwest quarter southeast quarter, said section 8;

Thence west three-fourths of a mile to the northeast corner of section 18;

Thence south along section line to the southeast corner of said section 18;

Thence southerly along the west rim of Big Pack Mountain approximately three and three-fourths miles to the northeast corner of the southeast quarter southeast quarter, section 1, township 12 south, range 19 east, Salt Lake meridian;

Thence south along the township line five and one-fourth miles to the southeast corner of township 12 south, range 19 east;

Thence following the north and east boundary of Indian Allotment Numbered 853 Uncompahgre on Hill Creek to the southeast corner of said allotment;

Thence along the east line of township 13 south, range 19 east, approximately one and one-half miles to the north rim of East Squaw Canyon;

Thence southeasterly along said rim and up said canyon approximately three and three-fourths miles to the northeast corner of section 33, township 13 south, range 20 east.

Thence south along the section line 6 miles to the northeast corner of section 33, township 14 south, range 20 east;

Thence along the north rim of Flat Rock Mesa approximately six miles to the west quarter corner of section 24;

Thence easterly along the north rim of Ute Canyon approximately two miles to the north quarter corner of section 19, township 14 south, range 21 east, Salt Lake meridian;

Thence continuing along the north rim of said canyon approximately three miles to the center of section 21;

Thence south one mile to the center of section 28;

Thence west one-half mile to the west line of said section;

Thence south one and one-half miles to the southeast corner of section 32;

Thence west along the south line of said township two miles to the southwest corner of township 14 south, range 21 east;

Thence south six miles along the east line of township 15 south, range 20 east, to the southeast corner of said township;

Thence east one-half mile to the center of the north line of section 33, township 15½ south, range 21 east, Salt Lake meridian;

Thence south approximately one and one-half miles to the south quarter of section 4, township 16 south, range 21 east, Salt Lake meridian;

Thence west one-half mile to the southwest corner of said section 4;

Thence north one-fourth of a mile to the southeast corner of the northeast quarter southeast quarter, section 5;

Thence west one-half mile to the northeast corner of the southeast quarter southwest quarter, said section 5;

Thence south two and one-fourth miles to the south quarter corner of section 17;

Thence west one-half mile to the northeast corner of section 19;

Thence south one-half mile to the east quarter corner of said section 19;

Thence west one-half mile to the center of said section 19;

Thence south two and one-half miles to the south quarter corner of section 31;

Thence west one-half mile to the southwest corner of said township 16 south, range 21 east;

Thence south one and one-half miles to the east quarter corner of section 12, township 17 south, range 20 east, Salt Lake meridian.

Thence west one mile to the east quarter corner of section 11

Thence south one-half mile to the southeast corner of said section 11;

Thence west one-half mile to the south quarter corner of said section 11;

Thence south one mile to the south quarter corner of section 14;

Thence west one-half mile to the southwest corner of said section 14;

Thence south one mile to the southeast corner of section 22;

Thence west one mile to the southwest corner of section 22;

Thence south approximately one and one-half miles to a point where the section line intersects the ridge between Supply Canyon and West Willow Creek;

Thence southwesterly along said ridge approximately two and one-half miles to the south quarter corner of section 8, township 18 south, range 20 east;

Thence south to the center of section 17;

Thence east one-half mile to the east quarter corner of said section 17;

Thence south to the southeast corner of said section 17;

Thence east approximately one-third of a mile to the top of the ridge between Clear Creek and West Willow Creek;

Thence southerly along the top of said ridge approximately three miles to the center of section 33;

Thence south one-half mile to the south quarter corner of said section 33;

Thence east one-fourth of a mile;

Thence south two miles to the southeast corner of the southwest quarter southeast quarter, section 9, township 19 south, range 20 east, Salt Lake meridian;

Thence east one-fourth of a mile to the northeast corner of section 16;

Thence south one mile to the southeast corner of said section 16;

Thence west three miles to the southwest corner of section 18;

Thence north 2 and three-fourths miles;

Thence west one-fourth of a mile.

Thence north one-fourth of a mile to the southwest corner of the southeast quarter southeast quarter, section 36, township 18 south, range 19 east;

Thence west three-fourths of a mile to the southwest corner of said section 36;

Thence northwesterly along the watershed divide of Book Cliff Mountains approximately twelve and one-half miles to the east quarter corner of section 6, township 18 south, range 19 east;

Thence southwesterly down Coal Creek Canyon approximately thirteen miles to Green River at a point approximately one-fourth of a mile west of the southeast corner of section 18, township 18 south, range 17 east, Salt Lake meridian;

Thence northerly up Green River to a point two and one-half miles north eighty degrees west from the southwest corner of section 7, township 12 south, range 19 east, Salt Lake meridian;

Thence southwesterly along the east rim of Main Tabyago Canyon approximately three and one-half miles;

Thence south five-eighths of a mile to the rim of the ridge;

Thence southwesterly across West Tabyago Canyon approximately one-half mile to the ridge;

Thence southwesterly along the north rim of the ridge approximately two and one-fourth miles to Rock House Canyon;

Thence southwesterly across Rock House Canyon approximately three-fourths of a mile to the top of knoll in Rock House Canyon;

Thence southeasterly along the south rim of Rock House Canyon approximately two and three-fourths miles to a point approximately one mile north of Gray Knoll;

Thence south one-half mile across bench to north rim of Big Canyon; thence southeasterly along the north rim of Big Canyon approximately two miles to the head of draw approximately one mile east of Gray Knoll;

Thence southeasterly one-fourth of a mile across bench to the north rim of Big Canyon Flat;

Thence southeasterly along north rim of Big Canyon Flat approximately three and one-fourth miles;

Thence east approximately one-fourth of a mile across bench to the north rim of Big Canyon Flat;

Thence southeasterly along the north rim of Big Canyon Flat approximately one mile;

Thence east approximately one-fourth of a mile across bench to north rim of Big Canyon Flat;

Thence southeasterly along the north rim of Big Canyon Flat approximately two and one-half miles;

Thence east approximately one-fourth of a mile across bench;

Thence southeasterly along the north rim of Big Canyon Flat approximately one and three-fourths miles;

80TH CONGRESS
2D SESSION

S. 637

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1948

Ordered to lie on the table and to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. TAFT to the bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended. Strike out all after the enacting clause and insert in lieu thereof the following:

1 That section 2 of the Civil Service Retirement Act of
2 May 29, 1930, as amended, is amended to read as follows:

3 “SEC. 2. (a) Except as provided in section 204 of
4 the Act of June 30, 1932 (47 Stat. 404), and section 3
5 of the Act of July 13, 1937 (50 Stat. 512), any officer
6 or employee to whom this Act applies who shall have com-
7 pleted ten years of service computed as provided in section
8 5 of this Act shall, on the last day of the month in which
9 he attains the age of seventy years, or completes ten years

1 of service if then beyond such age, be automatically separated
2 from the service, and all salary, pay, or compensation shall
3 cease from that date, and the head of each department,
4 branch, or independent office of the Government concerned
5 shall notify each such employee under his direction of the
6 date of his separation from the service at least sixty days
7 in advance thereof: *Provided*, That should the head of the
8 department, branch, or independent office fail, through error,
9 to give timely notification, the employee's separation from
10 the service shall not be effected without his consent until
11 the expiration of said sixty-day period. Upon such separa-
12 tion, the officer or employee shall be eligible for retirement
13 on annuity as provided in section 4 hereof.

14 “(b) No person who is receiving an annuity under the
15 provisions of this Act and who has reached the age of sixty
16 years shall be eligible again to appointment to any appointive
17 office, position, or employment under the Government of the
18 United States or of the District of Columbia, unless the
19 appointing authority determines that he is possessed of special
20 qualifications: *Provided*, That no deductions for the retire-
21 ment fund shall be withheld from the salary, pay, or com-
22 pensation of such person, but there shall be deducted from
23 his salary, pay, or compensation otherwise payable a sum
24 equal to the retirement annuity allocable to the period of
25 actual employment: *Provided further*, That the annuity in

1 such case shall not be redetermined upon such person's
2 subsequent separation from the service."

3 SEC. 2. Section 4 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 4. (a) The annuity of an officer or employee
6 retired under this Act shall be a life annuity, terminable
7 upon the death of the annuitant and shall be an amount
8 equal to the following: (1) $1\frac{1}{2}$ per centum of the average
9 annual basic salary, pay, or compensation received by the
10 officer or employee during any five consecutive years of
11 allowable service at the option of the officer or employee
12 multiplied by the years of service not exceeding thirty-five
13 years, or (2) 1 per centum of the average annual basic
14 salary, pay, or compensation received by the officer or em-
15 ployee during any five consecutive years of allowable service
16 at the option of the officer or employee multiplied by the
17 years of service not exceeding thirty-five years, plus a sum
18 equal to \$25 for each year of such service but not exceeding
19 thirty-five years: *Provided*, That in no case shall the annuity
20 exceed an amount equal to 80 per centum of the highest
21 average annual basic salary, pay, or compensation received
22 by the officer or employee during five consecutive years of
23 allowable service.

24 "(b) Any officer or employee, if a husband, retiring
25 under the provisions of section 1, 2, or 6 of this Act may

1 at the time of his retirement elect to receive in lieu of the
2 life annuity described herein a reduced annuity and an
3 annuity after his death payable to his surviving widow equal
4 to 50 per centum of such life annuity. The annuity of the
5 officer or employee making such election shall be equal to
6 90 per centum of such life annuity, reduced by three-fourths
7 of 1 per centum of such life annuity for each full year, if
8 any, his wife is under the age of sixty at the date of such
9 election; but shall in no case be less than 75 per centum
10 of such life annuity. The annuity of such widow shall
11 begin on the first day of the month in which the death of
12 the husband occurs or the first day of the month following
13 the widow's attainment of age fifty, whichever is the later,
14 and shall terminate upon her death or remarriage.

15 “(c) For the purpose of this Act all periods of service
16 shall be computed in accordance with section 5 hereof, and
17 the monthly annuity installment shall be fixed at the nearest
18 dollar.

19 “(d) The term ‘basic salary, pay, or compensation’,
20 wherever used in this Act, shall be so construed as to exclude
21 from the operation of the Act all bonuses, allowances, over-
22 time pay, or salary, pay, or compensation given in addition
23 to the base pay of the position as fixed by law or regulation.”

24 SEC. 3. The first paragraph of section 5 of the Act of
25 May 29, 1930, as amended, is amended to read as follows:

1 “Subject to the provisions of section 9 hereof, the
2 aggregate period of service which forms the basis for cal-
3 culating the amount of any annuity provided in this Act
4 shall be computed from the date of original employment,
5 whether as a classified or an unclassified officer or employee
6 in the civil service of the United States, or in the service
7 of the District of Columbia, including periods of service
8 at different times and in one or more departments, branches,
9 or independent offices, or the legislative branch of the Gov-
10 ernment, and also periods of service performed overseas
11 under authority of the United States, and periods of honor-
12 able service in the Army, Navy, Marine Corps, or Coast
13 Guard of the United States; in the case of an officer or
14 employee, however, who is eligible for and receives retired
15 pay on account of military or naval service, the period of
16 service upon which such retired pay is based shall not be
17 included, except that in the case of an officer or employee
18 who is eligible for and receives retired pay on account of a
19 service-connected disability incurred in combat with an
20 enemy of the United States or resulting from an explosion
21 of an instrument of war, the period of the military service
22 shall be included: *Provided*, That an officer or employee
23 must have served for a total period of not less than five
24 years, exclusive of such military or naval service, before
25 he shall be eligible for annuity under this Act. Nothing in

1 this Act shall be construed as to affect in any manner an
2 officer's or employee's right to retired pay, pension, or
3 compensation in addition to the annuity herein provided."

4 SEC. 4. The first three paragraphs of section 6 of the
5 Act of May 29, 1930, as amended, are amended to read as
6 follows:

7 "Any officer or employee to whom this Act applies who
8 shall have served for a total period of not less than five years
9 computed as provided in section 5 of this Act, and who,
10 before becoming eligible for retirement under the conditions
11 defined in the preceding section hereof, becomes totally
12 disabled for useful and efficient service in the grade or class
13 of position occupied by the officer or employee, by reason of
14 disease or injury not due to vicious habits, intemperance, or
15 willful misconduct on the part of the officer or employee,
16 shall upon his own application or upon the request or order
17 of the head of the department, branch, or independent office
18 concerned, be retired on an annuity computed in accordance
19 with the provisions of section 4 hereof: *Provided*, That proof
20 of freedom from vicious habits, intemperance, or willful mis-
21 conduct for a period of more than five years next prior to
22 becoming so disabled for useful and efficient service, shall
23 not be required in any case. No officer or employee shall
24 be retired under the provisions of this section unless examined
25 by a medical officer of the United States, or a duly qualified

1 physician or surgeon, or board of physicians or surgeons,
2 designated by the Civil Service Commission for that purpose,
3 and found to be disabled in the degree and in the manner
4 specified herein. No claim shall be allowed under the pro-
5 visions of this section unless the application for retirement
6 shall have been executed prior to the applicant's separation
7 from the service or within six months thereafter. The time
8 limitation for execution of claims for retirement under the
9 terms of this section may be waived by the Civil Service
10 Commission in case of an officer or employee who at the date
11 of separation from service or within six months thereafter
12 is receiving hospital treatment, but the application in such
13 case must be filed with the Civil Service Commission not
14 later than six months after the termination of such hospitaliza-
15 tion; in the case of any such person heretofore separated
16 from service application may be filed within six months after
17 the effective date of this Act. Such time limitation may
18 similarly be waived in the case of an officer or employee who
19 at the date of separation from service or within six months
20 thereafter is mentally incompetent, but the application in such
21 case must be filed with the Civil Service Commission within
22 one year from the date of restoration of such person to
23 competency or the appointment of a fiduciary whichever is
24 the earlier.

25 "Every annuitant retired under the provisions of this

1 section unless the disability for which retired be permanent
2 in character, shall at the expiration of one year from the
3 date of such retirement and annually thereafter, until reach-
4 ing age sixty, be examined under the direction of the Civil
5 Service Commission by a medical officer of the United
6 States, or a duly qualified physician or surgeon, or board
7 of physicians or surgeons designated by the Civil Service
8 Commission for that purpose, in order to ascertain the nature
9 and degree of the annuitant's disability, if any. If an an-
10 nuitant shall recover before reaching age sixty and be
11 restored to an earning capacity which would permit him to
12 be appointed to some appropriate position fairly comparable
13 in compensation to the position occupied at the time of
14 retirement, payment of the annuity shall be continued tem-
15 porarily to afford the annuitant opportunity to seek such
16 available position, but not in any case exceeding one year
17 from the date of the medical examination showing such
18 recovery. Should the annuitant fail to appear for examina-
19 tion as required under this section, payment of the annuity
20 shall be suspended until continuance of the disability shall
21 have been satisfactorily established. The Civil Service Com-
22 mission may order or direct at any time such medical or
23 other examination as it shall deem necessary to determine
24 the facts relative to the nature and degree of disability of

1 any officer or employee retired on an annuity under this
2 section.

3 “If a recovered disability annuitant whose annuity is
4 discontinued subsequent to June 30, 1945, shall fail to obtain
5 reemployment in any position included in the provisions of
6 this Act, he shall be considered as having been separated
7 from the service within the meaning of section 7 (a) of
8 this Act as of the date he was retired for disability and shall,
9 after the discontinuance of the disability annuity, be entitled
10 to a deferred annuity in accordance with the provisions of
11 such section.”

12 SEC. 5. Section 7 of the Act of May 29, 1930, as
13 amended, is amended to read as follows:

14 “SEC. 7. (a) Should any officer or employee to whom
15 this Act applies after having rendered five years of civilian
16 service, computed as prescribed in section 5 of this Act, and
17 before becoming eligible for retirement under this Act be-
18 come separated from the service, such officer or employee
19 shall be paid as he may elect, (A) a deferred annuity be-
20 ginning at the age of sixty-two years, or the age at
21 separation if beyond the age of sixty-two computed as pro-
22 vided in section 4 (a) of this Act, or (B) the total amount
23 credited to his individual account together with interest at
24 4 per centum per annum to December 31, 1947, and 3 per

1 centum per annum thereafter compounded on December 31
2 of each year to date of separation.

3 “(b) All amounts returned to an officer or employee
4 under this section must upon reinstatement, retransfer, or
5 reappointment to a position within the purview of this Act
6 be redeposited, together with interest at 4 per centum per
7 annum to December 1, 1947, and 3 per centum per annum
8 thereafter, compounded on December 31 of each year, by
9 such officer or employee before he may receive any credit
10 for the service covered by the refund.”

11 SEC. 6. Section 8 of the Act of May 29, 1930, as
12 amended, is amended to read as follows:

13 “SEC. 8. In the case of any officer or employee who
14 before the effective date of this Act shall have been retired
15 on annuity under the provisions of the Act of May 22, 1920,
16 as amended, or section 8 (a) of the Act of June 16, 1933,
17 the annuity shall be increased, effective on the first day of
18 the second month following the month in which this Act
19 is enacted by 25 per centum or \$300, whichever is the lesser:
20 *Provided*, That each such annuitant may, prior to the effec-
21 tive date herein prescribed, elect to retain his or her present
22 annuity, in lieu of the increased annuity provided by this
23 section, and name his wife or her husband to receive upon
24 his or her death one-half of his or her present annuity but
25 not to exceed \$600 per annum during the remainder of the

1 life of such surviving husband or wife and upon the death
2 of such survivor no further annuity shall be due or payable.

3 “In case any officer or employee shall have been sep-
4 arated subsequent to January 23, 1942, and prior to effective
5 date of this Act and have acquired title to annuity under
6 section 7 of the Act of May 29, 1930, as amended, beginning
7 after such effective date, such annuity shall be computed as
8 if this Act had not been enacted: *Provided*, That any such
9 officer or employee may elect to forfeit his right to such
10 annuity and elect in lieu thereof to receive a refund as pro-
11 vided by section 7 of this Act.”

12 SEC. 7. Section 9 of the Act of May 29, 1930, as
13 amended, is amended to read as follows:

14 “SEC. 9. Each officer or employee within the purview
15 of this Act may deposit with interest at 4 per centum per
16 annum to December 31, 1947, and 3 per centum per annum
17 thereafter, compounded on December 31 of each year, to
18 the credit of the ‘civil-service retirement and disability
19 fund’ a sum equal to $2\frac{1}{2}$ per centum of his basic salary,
20 pay, or compensation received for services rendered after
21 July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$ per centum
22 of the basic salary, pay, or compensation for services ren-
23 dered from and after July 1, 1926, and prior to July 1,
24 1942; 5 per centum of such basic pay, salary, or compen-
25 sation for services rendered from and after July 1, 1942,

1 and prior to the first day of the first pay period which
2 begins after June 30, 1948, and also 6 per centum there-
3 after, covering service during which no deductions were
4 withheld for deposit in the said fund. Each such officer
5 or employee may elect to make such deposits in installments
6 during the continuance of his service in such amounts and
7 under such conditions as may be determined in each in-
8 stance by the Civil Service Commission. The amount so
9 deposited shall be credited to the individual account of the
10 officer or employee in the said fund. Unless such deposit
11 is made, no credit shall be allowed for the period or periods
12 of service involved: *Provided*, That no deposit shall be
13 required for any service rendered prior to August 1, 1920,
14 or for periods of honorable service in the Army, Navy,
15 Marine Corps, or Coast Guard of the United States.”

16 SEC. 8. The first paragraph of section 10 of the Act
17 of May 29, 1930, as amended, is amended to read as follows:

18 “Beginning as of July 1, 1942, there shall be deducted
19 and withheld from the basic salary, pay, or compensation
20 of each officer or employee to whom this Act applies a sum
21 equal to 5 per centum of such officer’s or employee’s basic
22 salary, pay, or compensation: *Provided*, That from and after
23 the first day of the first pay period which begins after June
24 30, 1948, there shall be deducted and withheld from the
25 basic salary, pay, or compensation of each officer or employee

1 to whom this Act applies a sum equal to 6 per centum of
2 such officer's or employee's basic salary, pay, or compensa-
3 tion. The amounts so deducted and withheld from the basic
4 salary, pay, or compensation of each officer or employee
5 shall, in accordance with such procedure as may be pre-
6 scribed by the Comptroller General of the United States, be
7 deposited in the Treasury of the United States to the credit
8 of the 'civil-service retirement and disability fund' created
9 by the Act of May 22, 1920, and said fund is hereby appro-
10 priated for the payment of annuities, refunds, and allowances
11 as provided in this Act."

12 SEC. 9. Section 12 of the Act of May 29, 1930, as
13 amended, is amended to read as follows:

14 "SEC. 12. (a) Under such regulations as may be
15 prescribed by the Civil Service Commission, the amounts
16 deducted and withheld from the basic salary, pay, or com-
17 pensation of each officer or employee for credit to the 'civil-
18 service retirement and disability fund' created by the Act of
19 May 22, 1920, covering service from and after August 1,
20 1920, shall be credited to an individual account of such
21 officer or employee.

22 "(b) (1) In the case of any officer or employee to
23 whom this Act applies who shall become absolutely separ-
24 ated from the service before he shall have completed an

1 aggregate of five years of service computed as prescribed
2 in section 5 of this Act, or who shall be transferred to a
3 position not within the purview of this Act, the amount
4 credited to his individual account together with interest at
5 4 per centum per annum to December 31, 1947, and 3 per
6 centum per annum thereafter compounded on December 31
7 of each year to date of separation shall be returned to such
8 officer or employee: *Provided*, That in computing interest
9 under this subsection, a fractional part of a month in the
10 total service covered by the refund shall be disregarded, and
11 no interest shall be allowed in any case unless the service
12 covered by the refund aggregates more than one year.

13 “(2) All amounts returned to an officer or employee
14 under this subsection must, upon reinstatement, retransfer,
15 or reappointment to a position within the purview of this
16 Act, be redeposited by such officer or employee before he
17 may receive any credit for the service covered by the
18 refund.

19 “(c) (1) In case any officer or employee to whom this
20 Act applies shall die after having rendered at least five
21 years of civilian service computed as prescribed in section
22 5 of this Act and is survived by a widow, such widow shall
23 be paid an annuity beginning the first day of the month
24 following the death of the officer or employee or following
25 the widow's attainment of age fifty, whichever is the later,

1 equal to one-half the amount of an annuity computed as
2 provided in section 4 hereof with respect to such officer or
3 employee: *Provided*, That such payments shall cease upon
4 death or remarriage of the widow.

5 “(2) In case any officer or employee to whom this
6 Act applies shall die after having rendered at least five years
7 of civilian service computed as prescribed in section 5 of
8 this Act and is survived by a widow and a surviving child
9 or children, such widow shall be paid an immediate annuity
10 terminable upon death or remarriage, equal to one-half the
11 amount of an annuity computed as provided in section 4
12 hereof with respect to such officer or employee. There shall
13 also be paid to or on behalf of each such child an immediate
14 annuity equal to one-fourth the amount of an annuity com-
15 puted as provided in section 4 hereof with respect to such
16 officer or employee, but not to exceed \$900 divided by the
17 number of such children or \$360, whichever is lesser. Upon
18 the death of such widow, the annuity of such child or children
19 shall be recomputed and paid as provided in section 12 (c)
20 (3) hereof.

21 “(3) In case any officer or employee to whom this Act
22 applies shall die after having rendered at least five years of
23 civilian service computed as prescribed in section 5 of this
24 Act and leaves no surviving widow but leaves a surviving
25 child or children, there shall be paid to or on behalf of each

1 such child an immediate annuity equal to one-half the amount
2 of an annuity computed as provided in section 4 hereof with
3 respect to such officer or employee, but not to exceed \$1,200
4 divided by the number of such children or \$480, whichever
5 is lesser.

6 “(4) The annuity payable to a child under this sub-
7 section shall be terminable upon (A) his attaining the age
8 of eighteen years, (B) his marriage, or (C) his death,
9 whichever first occurs, except that if such child is incapable
10 of self-support by reason of mental or physical disability
11 his annuity shall be terminable only upon death, marriage,
12 or recovery from such disability. In any case in which the
13 annuity of a child, under this subsection, is terminated, the
14 annuities of any other child or children, based upon the
15 service of the same officer or employee, shall be recomputed
16 and paid as though the child whose annuity was so termi-
17 nated had not survived such officer or employee.

18 “(5) Any surviving widow entitled to an annuity under
19 this subsection may elect to waive the right to receive such
20 annuity and to receive in lieu thereof a refund of amounts
21 credited to the individual account of the officer or employee
22 with interest thereon at the rate of 4 per centum per annum
23 to December 31, 1947, and 3 per centum thereafter, com-
24 pounded on December 31 of each year to the date of such
25 officer's or employee's death. In any case in which a sur-

1 viving widow elects to receive a refund under this para-
2 graph, no annuity shall be payable to such widow or to
3 any surviving child of the officer or employee under this
4 subsection. This paragraph shall not be applicable in the
5 case of the surviving widow of any officer or employee if
6 such officer or employee shall have filed a notice in writing
7 with the Civil Service Commission to the effect that he
8 does not desire such paragraph to be applicable in his case.

9 “(d) As used in this section—

10 “(1) The term ‘widow’ means a surviving wife of an
11 individual, who either (A) shall have been married to such
12 individual for at least five years immediately preceding his
13 death, or (B) is the mother of issue by such marriage.

14 “(2) The term ‘child’ means an unmarried child, in-
15 cluding a dependent stepchild or an adopted child, under
16 the age of eighteen, or an unmarried child who because of
17 physical or mental disability is incapable of self-support, a
18 dependent stepchild, or an adopted child.

19 “(3) Questions of dependency and disability arising
20 under this section shall be determined by the Civil Service
21 Commission and its decisions with respect to such matters
22 shall be final and conclusive and shall not be subject to re-
23 view. The Commission may order or direct at any time
24 such medical or other examinations as it shall deem neces-
25 sary to determine the facts relative to the nature and degree

1 of disability of any annuitant or applicant for annuity under
2 this section, and may suspend or deny any such annuity for
3 failure to submit to any such examination.

4 “(e) In case (1) an officer or employee to whom this
5 Act applies shall die before having rendered five years of
6 civilian service computed as prescribed in section 5 of this
7 Act or without a survivor or survivors entitled to annuity
8 benefits provided by section 12 (c) hereof the total amount
9 of deductions credited to his individual account with interest
10 thereon at 4 per centum per annum to December 31, 1947,
11 and 3 per centum per annum thereafter compounded on
12 December 31 of each year to date of death, or (2) the
13 annuity of an annuitant under section 12 (c) shall terminate
14 before he and any other persons who shall have received
15 an annuity based upon the service of the officer or employee
16 shall have received in annuities an aggregate amount equal
17 to the amount to the credit of such employee's individual
18 account as of the date of commencement of the annuity
19 under section 12 (c) and no other person is entitled to an
20 annuity based upon such service, the total amount of deduc-
21 tions remaining to the credit of the individual account of
22 such officer or employee, with interest thereon at 4 per centum
23 per annum to December 31, 1947, and 3 per centum per
24 annum thereafter, compounded on December 31 of each year,
25 to the date of commencement of such annuity, shall be paid

1 upon the establishment of a valid claim therefor, in the
2 following order of precedence:

3 "First, to the beneficiary or beneficiaries designated in
4 writing by such officer or employee and recorded with the
5 Civil Service Commission.

6 "Second, if there be no such beneficiary, to the duly
7 appointed executor or administrator of the estate of such
8 officer or employee.

9 "Third, if there be no such beneficiary or executor or
10 administrator, payment may be made, after the expiration
11 of thirty days from the date of the death of the officer or
12 employee, to such person or persons as may appear in the
13 judgment of the Civil Service Commission to be legally
14 entitled thereto, and such payment shall be a bar to recovery
15 by any other person.

16 "(f) In case a retired employee who has not elected
17 a joint and survivorship annuity as provided in section 4 (b)
18 of this Act shall die without having received in annuities an
19 amount equal to the total amount credited to his individual
20 account with interest thereon at 4 per centum per annum
21 to December 31, 1947, and 3 per centum per annum there-
22 after compounded on December 31 of each year to date of
23 retirement, the difference and/or any accrued annuity due
24 shall be paid upon the establishment of a valid claim there-
25 for, in the following order of precedence:

1 “First, to the beneficiary or beneficiaries designated in
2 writing by such annuitant and recorded with the Civil Service
3 Commission.

4 “Second, if there be no such beneficiary, to the duly
5 appointed executor or administrator of the estate of such
6 annuitant.

7 “Third, if there be no such beneficiary, or executor or
8 administrator, payment may be made, after the expiration
9 of thirty days from the date of the death of the annuitant, to
10 such person or persons as may appear in the judgment of the
11 Civil Service Commission to be legally entitled thereto, and
12 such payment shall be a bar to recovery by any other person.

13 “(g) Where any payment under this Act is to be made
14 to a minor, or to a person mentally incompetent or under
15 other legal disability adjudged by a court of competent juris-
16 diction, such payment may be made to the person who is
17 constituted guardian or other fiduciary by the law of the
18 State of residence of such claimant or is otherwise legally
19 vested with the care of the claimant or his estate: *Provided*,
20 That where no guardian or other fiduciary of the person
21 under legal disability has been appointed under the laws
22 of the State of residence of the claimant, the Civil Service
23 Commission shall determine the person who is otherwise
24 legally vested with the care of the claimant or his estate.

25 “(h) In case a former employee entitled to the return

1 of the amount credited to his individual account shall become
2 legally incompetent, the total amount due may be paid to
3 a duly appointed guardian or committee of such former em-
4 ployee. If the amount of refund due such former employee
5 does not exceed \$1,000, and if there has been no demand
6 upon the Civil Service Commission by a duly appointed
7 guardian or committee, payment may be made, after the
8 expiration of thirty days from date of separation from the
9 service, to such person or persons, in the discretion of the
10 Commission, who may have the care and custody of such
11 former employee, and such payment shall be a bar to recovery
12 by any other person.

13 “(i) Each employee or annuitant to whom this Act
14 applies shall, under regulations prescribed by the Civil
15 Service Commission, designate a beneficiary or beneficiaries
16 to whom shall be paid, upon the death of the employee or
17 annuitant any sum remaining to his credit (including any
18 accrued annuity) under the provisions of this Act.”

19 SEC. 10. The first paragraph of section 13 of the Act
20 of May 29, 1930, as amended, is amended to read as follows:

21 “Annuities granted under the terms of this Act shall
22 accrue monthly and shall be due and payable in monthly
23 installments on the first business day of the month following
24 the month or other period for which the annuity shall have
25 accrued. Payment of all annuities, refunds, and allowances

1 granted hereunder shall be made by checks drawn and issued
2 by the Treasury Department in such form and manner and
3 with such safeguards as shall be prescribed by the Civil
4 Service Commission in accordance with the laws, rules, and
5 regulations governing accounting that may be found ap-
6 plicable to such payments.”

7 SEC. 11. The third paragraph of section 13 of the Act
8 of May 29, 1930, as amended, is amended to read as follows:

9 “An annuity granted for retirement under the pro-
10 visions of section 1 or 2 of this Act shall commence the
11 first day of the month following the date of separation from
12 the service, or on the first day of the month following the
13 month in which salary shall cease provided the employee
14 meets the age and service requirements for retirement at
15 that time, and shall continue during the life of the annuitant.
16 An annuity granted under the provisions of section 6 or 7
17 hereof shall be subject to the limitations specified in said
18 sections.”

19 SEC. 12. Section 14 of the Act of May 29, 1930, as
20 amended is hereby repealed.

21 SEC. 13. Except insofar as amendments made by this
22 Act change rates of interest, such amendments shall not
23 apply to any person subject to the provisions of section 3A

1 of the Act of May 29, 1930, as amended, and the rights and
2 obligations of such person under such Act shall continue as
3 though this Act had not been enacted.

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. TAFT to the bill
(S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

JANUARY 21, 1948

Ordered to lie on the table and to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
 Division of Legislative Reports
 (For Department staff only)

Issued January 26, 1948
 For actions of January 23, 1948
 80th-2nd, No. 14

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HIGHLIGHTS. Senate passed bill to continue grain-allocation authority through Feb. Senate passed civil-service retirement bill.

SENATE

1. GRAIN ALLOCATIONS. Passed as reported S. 1842, to extend to Feb. 29, 1948, the period during which the use of grain for the production of distilled spirits or neutral spirits for beverage purposes may be controlled under title III of the Second War Powers Act (pp. 490-2).
2. CIVIL-SERVICE RETIREMENT. Passed with amendments H. R. 4127, to amend the Civil Service Retirement Act (pp. 492-511). Sens. Langer, Baldwin, Taft, Chavez, and Johnston were appointed conferees (p. 511). The Senate agreed to an amendment by Sen. Taft, in the nature of a substitute, with various perfecting amendments. As passed by the Senate, the bill includes provisions for a new annuities formula, elimination of tontine deductions, cost-of-living adjustments to retired employees, annuities at a reduced rate for widows and children of employees who die in service, etc.
3. SURPLUS PROPERTY. The Expenditures in the Executive Departments Committee reported with amendments H. R. 2239, to amend Sec. 13 (a) of the Surplus Property Act (S. Rept. 845)(p. 489).
4. STATION TRANSFERS. The Armed Services/S. 1298, to validate payments heretofore made by disbursing officers covering cost of shipment of household effects of civilian employees (S. Rept. 838)(p. 488).
5. BUTTER RATIONING. Sen. Copper, Kans., inserted a resolution of the Kans. Butter Institute opposing butter rationing (pp. 486-7).
6. ADJOURNED until Mon., Jan. 26, when items on the calendar and the St. Lawrence waterway are to be considered (p. 513).

HOUSE

NOT IN SESSION. Next meeting Mon., Jan. 26.

BILL INTRODUCED

7. AAAct; TOBACCO. S. 2056, by Sen. Tydings, Md. (for himself and Sen. O'Connor, Md.); to amend the Agricultural Adjustment Act of 1938, to change the base period for the determination of parity for Maryland tobacco from August 1919 to June 1929 to the period from January 1936 to December 1945. To Agriculture and Forestry Committee. (p. 489.)

ITEMS IN APPENDIX

8. MEAT RATIONING. Sen. Wherry, Nebr., inserted a Morning World-Herald (Omaha, Nebr.) editorial opposing meat rationing plans (pp. A389-90).
9. ALASKAN FORESTS. Sen. Butler, Nebr., inserted a Washington Times-Herald editorial, urging settlement of Indian claims in Alaska so that forest industries can be developed (p. A393).
10. ST. LAWRENCE SEAWAY. Sen. Hatch, N. Mex., inserted a Manitowoc Herald-Times editorial favoring this project (p. A389).
Sen. Wiley, Wis., inserted a statement of certain railway brotherhoods opposing this project (p. A390).
Sen. Langer, N. Dak., inserted a Washington Post editorial favoring this project (p. A394).

COMMITTEE HEARINGS ANNOUNCEMENTS for Jan. 26: H. Agriculture, Foot-and-mouth disease (Shahan, Simms, Schoening, Clarkson, BAI, to testify); H. Appropriations, Agricultural appropriations (ex.); H. Banking and Currency, grain-allocation continuation; S. Banking and Currency, price controls; S. Foreign Relations, European Recovery Plan; S. Public Works, Federal aid for State works; H. Appropriations, State-Justice-Commerce-Judiciary, Army Department civil functions (ex.); H. Judiciary, practitioners before administrative agencies; H. Public Lands, various public land bills.

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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junior Senator from Kentucky [Mr. COOPER] asking particularly that we be sure of having time enough for hearings on the bill. The junior Senator from Kentucky has had a great deal of experience on this matter from the fact that the subject of allocation had previously been referred to the Committee on the Judiciary, and he had had the primary responsibility for handling the subject of grain allocation.

In view of all this it has seemed wise to the subcommittee, and the subcommittee so reported to the full Banking and Currency Committee, and the Banking and Currency Committee has reported to the Senate, an amendment which I will read, which is an amendment in the way of substitution. The amendment is as follows:

That section 4 (b) of the joint resolution entitled "Joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," approved December 30, 1947 (Public Law 395, 80th Cong.), is amended by striking out "January 31, 1948" and inserting in lieu thereof "February 29, 1948."

The entire purpose of the amendment is to give time for proper hearings on a subject on which hearings must be held if we are to handle the legislation with knowledge and understanding of the situations involved in it.

I wish to state two things quite clearly. The first is that the motion for continuing the present existing authority for allocation for another month was not made by the Department of Agriculture or by any part of the administration. It had its genesis in the subcommittee of the Committee on Banking and Currency. It is solely our responsibility.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. BARKLEY. When the Senator first rose he said something about reporting the Kilgore bill. I did not understand that he was reporting the bill, but that he was reporting on it. Is that correct?

Mr. FLANDERS. We are reporting the bill amended as I indicated; and the amendment is in the nature of a substitute.

Mr. BARKLEY. I am a little confused as to the legislation on which it is proposed to hold hearings. I assumed that the motion was to take up the bill extending the time until the 29th of February. The time will expire on the 31st of January. Is it on the Kilgore bill or similar legislation that hearings are to be held?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. WHERRY. My understanding is that it is proposed that the bill as reported is to be amended by an amendment in the nature of a substitute.

Mr. FLANDERS. That is correct.

Mr. BARKLEY. All the bill does is to extend the time from January 31 to February 29.

Mr. FLANDERS. That is all it does.

Mr. BARKLEY. That, of course, is different from the Kilgore bill.

Mr. FLANDERS. It is my idea—and I will check with the chairman of the

Committee on Banking and Currency—that the hearings to be held on this subject will be of such a nature as to guide our conclusions on the subject matter of the original Kilgore bill.

Mr. BARKLEY. As I understand, the Senator is asking that the date be extended in order to give the committee time to hold hearings on the general subject.

Mr. FLANDERS. That is correct.

Mr. BARKLEY. And to obtain all the facts upon the subject. A week or so ago I urged upon the Senator that the facts could not be obtained by hearings scheduled originally for last Tuesday, which hearings were postponed.

Mr. FLANDERS. That is correct.

Mr. BARKLEY. The pending measure merely changes the date of expiration of the present law. So if the extension is granted by the Congress, the committee will then fix another date upon which to hear all interests involved and determine whether there should be further legislation after the 29th of February, or a further extension, and if so, under what conditions the extension should be granted. Is that correct?

Mr. FLANDERS. That is correct. I should like to say also that it is the intention of the subcommittee to proceed with the utmost possible expedition so that we may have satisfactory hearings and reach proper conclusions as to further legislation long before the date stated in the amendment, the last day of February.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. TOBEY. I will say to the Senator from Kentucky that he could not have better expressed the intent of the committee and of the subcommittee as to the purpose in extending the time. The committee will use the additional time to prosecute as diligently and continuously as possible hearings on the entire subject.

Mr. BARKLEY. All Senators will understand, I am sure, the importance of settling this question. With month-to-month extensions, not only is the industry in a state of uncertainty, but the employees working for the industry do not know whether they are to have work for 30 days or whether they are to be cut off entirely. It is very necessary that the question be determined as soon as possible, so that this constant suspension in midair on the part of those who depend upon this industry for their work and the support of their families may be ended, and they may have some reasonable opportunity to know what to expect.

Mr. TOBEY. The Senator realizes the conditions within the committee.

Mr. BARKLEY. I appreciate them. I am expressing the hope that if this extension is granted the committee will, with all possible diligence, arrive at a final conclusion as to what should be done.

Mr. TOBEY. It is a great characteristic of Vermont to prosecute everything with diligence and with great effect. I pay tribute to the State of Vermont.

Mr. BARKLEY. Mr. President, in response to the remarks of the Senator from New Hampshire, we in Kentucky

are in a position to pay tribute to the diligence of Vermont, because if it had not been for such diligence Kentucky would have been the fourteenth State instead of the fifteenth. Vermont got in a little ahead of us.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, in connection with the interrogatory which I propounded awhile ago to the Senator from Vermont, a letter which I have received from Miss Margaret Comley, of Louisville, Ky., who writes to me on the stationery of the Brown-Forman Distillers Corp., giving in some detail the situation with reference to unemployment in connection with this industry. I do not know what her interests are in the company, or whether she has any financial interest. She says that she has been in charge of the unemployment division in this institution. She writes a very earnest letter, and I think it would be worth while to have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BROWN-FORMAN DISTILLERS CORP.,
Louisville, Ky., January 22, 1948.

HON. ALBEN W. BARKLEY,
Senate Building, Washington, D. C.

HONORABLE BARKLEY: This letter is written directly to you in protest against Secretary Anderson's action insofar as the grain allotment in the distilling industry is concerned. I, a distillery worker, resent to the utmost the discriminatory legislation directed against the distilling industry, which, in my opinion, is quite un-American.

Immediately following the attack on Pearl Harbor the distilling industry without hesitation converted their industries over to the producing of alcohol for governmental purposes. This alcohol was used for ammunition, medicinal purposes, etc. We very graciously accepted the whiskey holidays granted us. This procedure was following through until the war in both the European theater and Pacific theater was ended.

However, this country, although not still at war, is extending an unnecessary hardship on the distilling industry. When one considers that the distilling industry uses less than 1 percent of the total grain crop it is most unfair that we should be bled completely, thus causing a catastrophe where many, many thousands of American citizens are concerned, and in actuality feathering the nest of our foreign distillers. Why should it be that we, due to the fact that grain allotment to us has been curtailed to an impossible quota to permit us to function, sit by and watch Europe use the grain allotted to them to manufacture spirits and in turn ship same to this country under the recently reduced import duty? This is undermining the American principles of free enterprise.

The revenue received from the whiskey industry is an item in itself. When the production of this product ceases this revenue will also cease. The State and Federal Government will have to be reimbursed for this loss, and therefore the taxpayer will have another burden placed upon him.

Without the proper amount of grain to manufacture whiskey distillery plants must be closed down. This means unemployment. It would do well for Secretary Anderson and others responsible for the curtailment of grain to our industry to witness the behind the scenes. When a man bearing the responsibility of providing a livelihood for himself and his family is laid off, he is at a loss to provide rent, food, clothing, medical expenses, etc., for his family. I have been affiliated with the employee relations department. This meant coming in contact daily with the

office workers and the laborers. It wasn't a very easy pill to swallow, Mr. BARKLEY, when a man's face bore the traces of worry because he was told he was no longer employed as we were unable to furnish work for him due to the grain shortage, and it was even worse to try to answer the question invariably put to you, and that was, "How much longer do you think it will be before we resume operations?" The distilling industry is a profession just as any other profession. Men are trained and skilled in the art of this work. When this knowledge has been taken away from us due to unemployment he is at a complete loss to find employment in another field. This applies most strenuously to a man who is up in age. This condition does not affect a handful of people, but very close to a million people in America. I fail to understand why a million American citizens should be forced to seek charity, while a foreign nation benefits. This is a draw-back on our charity organizations, which are wholly dependent on the balance of Americans supporting same, and who are trying earnestly to make ends meet with the ridiculously high prices involved on any item purchased these days. It can only be termed as a vicious circle.

It isn't a question as to whether we of the distilling industry are demanding that the hungry families of Europe not be fed. We Americans very freely exercise the privilege of sending clothing to those less fortunates, and we are more than willing to do our share toward helping to feed them. But, why should the feeding of these people be primarily at the expense of the distilling industry? I feel that a certain amount of grain should be allotted to them, that is, the countries in dire stress, but in my opinion, the amount allotted to them should be curtailed exclusively to the proper sources for the making of flour, bread, etc. But, definitely, when it is evidenced that any part of this grain allotment is being used for the making of spirits then that country should be cut off from their allotment entirely. This would mean that our allotment to those countries could be cut in half, and give us, the distilling industry, an opportunity to function, and not prove a fight for survival as it now is.

Congress will recall the days of prohibition. Why should we discontinue the making of a product that is pure and can be consumed without poisonous effects, thus permitting the bootlegging of a product made in basements, and filthy surroundings, the ingredients of which are injurious? Bootlegging was performed on a large scale during the prohibition days, and once the distillers are forced to close their doors, we again will be faced with this desperate problem.

Several days ago a commentator made the announcement, that the grain crop for this year is not quite as large, but almost equivalent to that of last year, but, in all probability we would be forced to ration grain for this country next year. Presently, here in Louisville, the price of a loaf of bread is 17 cents—an exorbitant price. This is truly an unnecessary condition. Now, how can a man who is unemployed combat this? And, why should we be forced to do so at the expense of taking care of our foreign countries?

I am with the other million of Americans asking, Mr. BARKLEY, that something be done to put a stop to this situation. As a member of the distilling industry, I ask that we be extended more leniency where the grain allotment is concerned. We are American citizens, and ask to be treated as such. By this I mean, permitting us to continue operations, and on a full-time scale. You, our representative, are our voice in this matter.

Respectfully,

MARGARET COMLEY.

Mr. AIKEN. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield.

Mr. AIKEN. I should like to inquire if it is the intention of the subcommittee to introduce a bill on which to hold hearings.

Mr. FLANDERS. It is my assumption that the bill would not be written until we were well along with the hearings.

Mr. AIKEN. Is it the intention to hold hearings and then write the bill?

Mr. FLANDERS. The hearings will be in anticipation of a bill.

Mr. AIKEN. I think that procedure is entirely satisfactory.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment, which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 4 (b) of the joint resolution entitled "Joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," approved December 30, 1947 (Public Law 395, 80th Cong.), is amended by striking out "January 31, 1948" and inserting in lieu thereof "February 29, 1948."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill (S. 1842) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend to February 29, 1948, the period during which the use of grain for the production of distilled spirits or neutral spirits for beverage purposes may be controlled under title III of the Second War Powers Act, 1942."

CIVIL SERVICE RETIREMENT BENEFITS

The Senate resumed the consideration of the bill (S. 637) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

Mr. WHERRY. Mr. President, the bill the Senate is now to consider is the civil service retirement bill. The chairman of the Committee on Post Office and Civil Service, the Senator from North Dakota [Mr. LANGER], is present and will be in charge of the bill.

Mr. LANGER. Mr. President, I ask that the committee amendment be stated.

The amendment was to strike out all after the enacting clause and to insert the following:

That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 1. (a) Any officer or employee to whom this act applies who shall have attained or shall hereafter attain the age of 60 years and have rendered at least 10 years of service computed as prescribed in section 5 of this act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this act.

(b) Any officer or employee to whom this act applies who shall have attained the age of 55 years and have rendered at least 10 years of service computed as prescribed in section 5 may voluntarily retire and shall be paid an immediate life annuity computed as provided in section 4 of this act, reduced by one-half of 1 percent for each full month such officer or employee is under the age of 60 years.

(c) Any officer or employee to whom this act applies, after having rendered at least 25 years of service computed as prescribed in section 5 of this act, (1) upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, or (2) upon voluntary separation from the service if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been so involuntarily separated from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation, shall be paid an immediate life annuity computed as provided in section 4 of this act reduced by one-fourth of 1 percent for each full month such officer or employee is under the age of 60 years."

SEC. 2. Section 2 of the act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 2. (a) Except as provided in section 204 of the act of June 30, 1932 (47 Stat. 404), and section 3 of the act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this act applies who shall have completed 10 years of service computed as provided in section 5 of this act shall, on the last day of the month in which he attains the age of 70 years, or completes 10 years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least 60 days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said 60-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this act and who has reached the age of 60 years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

SEC. 3. (a) Paragraph (6) of section 3A of the act of May 29, 1930, as amended, is amended to read as follows:

"(6) (a) In the case of a Member of Congress who becomes separated from the service before he completes an aggregate of 6 years of service as a Member of Congress, and who is not retired for disability, the total amount deducted from his basic salary, pay, or compensation as a Member of Congress shall be returned to such Member of Congress. No such Member of Congress shall thereafter become eligible to receive an annuity as provided in this section unless the amounts so returned are redeposited with interest at 4 percent compounded on December 31 of each year, but interest shall not be required covering any period of separation from the service.

"(b) In case a Member of Congress shall die the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 percent per

annum to December 31, 1947, and at 3 percent per annum thereafter, compounded on December 31 of each year shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12.

"(c) In case a former Member of Congress receiving an annuity under this section shall die without having received in annuities an amount equal to the amount of annuities purchasable with the total sums deducted from his basic salary, pay, or compensation or deposited by him, together with interest at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter, compounded on December 31 of each year, the difference and/or any accrued annuity due shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12."

(b) Except as provided in this section the amendments made by this act shall not apply to any person subject to the provisions of section 3A of the act of May 29, 1930, as amended.

SEC. 4. Section 4 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 4. (a) The annuity of an officer or employee retired under this act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That if deposit or redeposit under section 7, 9, or 12 (b) hereof has not been made, the annuity for the period or periods of service covered by the deposit or redeposit shall be in an amount equal to 1 percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of such service: *Provided further*, That in no case shall the annuity exceed an amount equal to 90 percent of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee retiring under the provisions of this act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 percent of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 percent of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than 5 years younger than the annuitant; 85 percent if the survivor annuitant is 5 but less than 10 years younger; 80 percent if the survivor annuitant is 10 but less than 15 years younger; 75 percent if the survivor annuitant is 15 but less than 20 years younger; 70 percent if the survivor annuitant is 20 but less than 25 years younger; and 60 percent if the survivor annuitant is 25 or more years younger: *Provided*, That no person may be designated as survivor annuitant unless he shall be related to the employee

within one of the following classes: husband or wife; child (including stepchild or legally adopted child but excluding grandchild); parent (including stepparent or adopted parent); brother or sister (including those of half or whole blood, step-brother or sister).

"(c) For the purpose of this act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(d) The term 'basic salary, pay, or compensation,' wherever used in this act, shall be so construed as to exclude from the operation of the act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

SEC. 5. The first paragraph of section 5 of the act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than 5 years exclusive of such military or naval service before he shall be eligible for annuity under this act. Nothing in this act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

SEC. 6. The first three paragraphs of section 6 of the act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this act applies who shall have served for a total period of not less than 5 years computed as provided in section 5 of this act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or sur-

geons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within 6 months thereafter. The time limitation for execution of claim for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within 6 months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than 6 months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within 6 months after the effective date of this act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within 6 months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within 1 year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of 1 year from the date of such retirement and annually thereafter, until reaching age 60, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age 60 and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding 1 years from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this act, he shall be considered as having been involuntarily separated from the service within the meaning of section 7 (a) of this act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

SEC. 7. Section 7 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this act applies, after having served a total of 5 years computed as prescribed in section 5 of this act and before becoming eligible for retirement on annuity under section 1 (a) become involuntarily separated not by removal for cause on charges of misconduct or delinquency, such officer or employee shall be paid as he may elect, (A) a

deferred annuity beginning at the age of 62 years computed as provided in section 4 of this act, or (B) the total amount credited to his individual account plus a reduced deferred annuity beginning at the age of 62 years computed as provided in section 4 of this act.

"(b) Should any officer or employee to whom this act applies, other than an officer or employee described in subsection (a), after having served a total of 10 years computed as prescribed in section 5 of this act and before becoming eligible for retirement on annuity under section 1 (a), become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of 65 years computed as provided in section 4 of this act, or (B) the total amount credited to his individual account plus a reduced deferred annuity beginning at the age of 65 years computed as provided in section 4 of this act.

"(c) No officer or employee who receives a return of deductions under this section shall thereafter receive full credit for the period of service covered by the refund unless he shall be reemployed in a position within the purview of this act and redeposit the amount so returned."

SEC. 8. Section 8 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this act shall have been retired on annuity under the provisions of the act of May 22, 1920, as amended, or section 8 (a) of the act of June 16, 1933, the annuity shall be increased, effective on the first day of the fourth month following the month in which this act is enacted by 25 percent or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his present annuity, in lieu of the increased annuity provided by this section, and name his wife to receive upon his death one-half of his present annuity during the remainder of her life and upon her death no further annuity shall be due or payable.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to date of approval of this act and have acquired title to annuity under section 7 of the act of May 29, 1930, as amended, beginning after such date of approval, such annuity shall be computed in accordance with section 4 of this act, but any reduction applicable thereto shall be determined as if this act had not been enacted: *Provided*, That any such officer or employee may elect to forfeit his right to such annuity and elect in lieu thereof to receive the benefits provided by section 7 of this act."

SEC. 9. Section 9 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within the purview of this act may deposit to the credit of the 'civil-service retirement and disability fund' a sum equal to 2½ percent of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ percent of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 percent of such basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period in 1948, and also 6 percent thereafter, covering service during which no deductions were withheld for deposit in the said fund. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Upon making such deposit, the officer

or employee shall be entitled to full credit for the period or periods of service involved: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

SEC. 10. The first two paragraphs of section 10 of the act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 5 percent of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period in 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 6 percent of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the 'civil-service retirement and disability fund' created by the act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 percent of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 percent per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this act. The life annuity shall consist of \$7 for each \$100 in case the officer or employee has not reached age 60; \$8 if he has reached age 60 but not age 65; \$9 if he has reached age 65 but not age 70; and \$10 if he has reached age 70. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 percent per annum to date of death or separation compounded on December 31 of each year shall be refunded in accordance with the provisions of section 12 of this act."

SEC. 11. Section 12 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the 'civil-service retirement and disability fund' created by the act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this act applies who shall become involuntarily separated not by removal for cause on charges of misconduct or delinquency, before he shall have completed an aggregate of 5 years of service computed in accordance with section 5 of this act, the amounts credited to his individual account together with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter to date of separation shall be returned to such officer or employee.

"(2) In the case of any officer or employee to whom this act applies who shall be trans-

ferred to a position not within the purview of this act, or who shall become absolutely separated from the service (other than by involuntary separation not for cause on charges of misconduct or delinquency) before he shall have completed an aggregate of 10 years of service computed in accordance with section 5 of this act, the amounts credited to his individual account shall be returned to such officer or employee.

"(3) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this act, be redeposited by such officer or employee before he may receive full credit for the service covered by the refund.

"(c) (1) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age 60, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee: *Provided*, That such payments shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and is survived by a widow and a surviving child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or upon termination of payments to the last surviving child, equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-fourth the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in section 12 (c) (3) hereof.

"(3) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and leaves no surviving widow but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

"(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of 18 years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"(d) As used in this section—

"(1) The term 'widow' means a surviving wife of an individual, who either (A) shall have been married to such individual for at least 5 years immediately preceding his death, or (B) is the mother of issue by such marriage.

"(2) The term 'child' means an unmarried child under the age of 18 or an unmarried child who because of physical or mental disability is incapable of self-support, a dependent stepchild, or an adopted child.

"(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"(e) In case an officer or employee to whom this act applies shall die (1) before having rendered 5 years of civilian service computed as prescribed in section 5 of this act or without a survivor or survivors entitled to annuity benefits provided by section 12 (c) hereof the total amount of deductions credited to his individual account with interest thereon at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of death or (2) leaving a survivor or survivors entitled to such annuity benefits the total amount of deductions credited to his individual account without interest, shall be paid upon the establishment of a valid claim therefor in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"Third, if there be no such beneficiary or executor or administrator payment may be made, after the expiration of 30 days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(f) In case a retired employee who has not elected a joint and survivorship annuity as provided in section 4 (b) of this act shall die without having received in annuities an amount equal to the total amount credited to his individual account with interest thereon at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of retirement, the difference and/or any accrued annuity due shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded with the Civil Service Commission;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(g) Where any payment under this act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant

or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(h) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"(i) Each employee or annuitant to whom this act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

SEC. 12. The first paragraph of section 13 of the act of May 29, 1930, as amended, is amended to read as follows:

"Annuities granted under the terms of this act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

SEC. 13. The third paragraph of section 13 of the act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this act shall commence the 1st day of the month following the date of separation from the service, or on the 1st day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

SEC. 14. Section 14 of the act of May 29, 1930, as amended, is hereby repealed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. LANGER. Mr. President, the principal purposes of the bill as amended by the committee are to provide benefits for dependent survivors of employees dying in service, to permit retired employees now on the annuity rolls to obtain certain increased annuity benefits or in lieu thereof to obtain certain benefits for their widows, to provide simpler and more equitable methods for computing annuities, to reduce service requirements for both age and optional retirement, to permit refunds upon separation prior to retirement without regard to length of service, to increase the rate of employees' contributions to the

retirement fund, and to simplify administration of the Retirement Act.

I may say that shortly after the Senate committee reported this bill, by a vote of 12 to 1, the House passed House bill 1427, known as the Stevenson bill. We have had various conferences in an effort to agree upon certain amendments. The proposed Taft substitute which the Senator from Ohio submitted on Monday, and which is printed and on the desks of Senators, has been carefully considered by the staff of the Committee on Post Office and Civil Service.

Not only that, but all the members of the Post Office and Civil Service Committee whom I have been able to see in connection with it agree with me that substantially the substitute bill, which is known as the Taft bill, meets with the approval of the various members of the committee.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Delaware?

Mr. LANGER. Not now, Mr. President. So far as I, as chairman of the committee, am concerned, I believe the Taft substitute bill in many respects is a more liberal bill and a better one than the original Senate bill 637 as introduced by my distinguished colleague [Mr. CHAVEZ] and myself.

I therefore move that all the language after the enacting clause be stricken out and that the Taft bill be substituted therefor.

Mr. TAFT. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The difficulty in doing that is that I do not know whether amendments to the substitute bill would be in order.

The ACTING PRESIDENT pro tempore. The Chair has been informed that such amendments would be in order. The committee amendment as a substitute is to be considered as an original text and subject to amendment in one degree.

Mr. LANGER. I call the attention of the Senate particularly to this fact, that Senate bill 637—

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LANGER. Not at this time.

Mr. WILLIAMS. A point of order, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. WILLIAMS. I am trying to get back to the subject of the Taft bill as a substitute. Has that bill been agreed to?

The ACTING PRESIDENT pro tempore. The Senator's question is, Has the so-called Taft amendment been agreed to by the Senate?

Mr. WILLIAMS. That is correct.

The ACTING PRESIDENT pro tempore. The answer is that it has not been.

Mr. LANGER. I wish particularly to call the attention of the Senate to the fact that in the House no provision was made for children of deceased employees, while in the Taft substitute that matter

is taken care of. Another very desirable feature is the fact that the age of a widow has been reduced from 60 years to 50 years.

I now yield to my distinguished colleague from New Mexico [Mr. CHAVEZ], and I also yield the floor.

Mr. CHAVEZ. The committee has been working on Senate bill 637 many months. Extended hearings were held, and the committee came to the conclusion that a retirement bill was in order and that the matter had too long been delayed. The Senator from Ohio [Mr. TAFT] has submitted a substitute. I have studied the substitute very carefully, and have come to the conclusion that notwithstanding the changes made by the Taft substitute, the main purposes of Senate bill 637, as originally introduced by the Senator from North Dakota [Mr. LANGER] and myself are carried out in the Taft measure. The point I should like to make is that a retirement bill should be passed, and that the Taft substitute carries out practically everything that was included in the Langer-Chavez bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. TAFT. I wish to explain how I happened to get into this matter.

Mr. CHAVEZ. If the Senator will permit, let me say that in my opinion the substitute bill changes the Langer-Chavez bill very little, in such unimportant respects that the big proposition of passing a retirement bill should be carried out even if we have to pass the Taft substitute, which I am perfectly willing to do. I hope the Senate will realize that the most important thing to be considered now is whether a retirement bill shall be passed at this time. The committee felt that it should. The Taft substitute, as I stated before, which the Senator from Ohio will explain, is entirely satisfactory to the majority of the committee.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield. As a matter of fact, I yield the floor.

Mr. TAFT. Mr. President, this has nothing particularly to do with the bill under discussion, but I have been attempting at the last session and at this to try to obtain some reconciliation of differing views. There is on the calendar, as the Senator knows, the House bill, the so-called Stevenson bill, which in some respects is different from the Langer-Chavez bill. In working it over we took some sections of one bill and some sections of the other and endeavored to reconcile differences and to fill some of the loopholes that existed. So that this substitute is not particularly a bill of mine; it is really the Langer-Chavez-Stevenson bill. I do not wish to maintain that there are any important changes; it is simply an attempt to reconcile differences in existing views.

Mr. CHAVEZ. I am sure the Senator from Ohio is entirely correct. I have stated heretofore and will state again that it is still the Langer-Chavez bill with some amendments submitted by the Senator from Ohio in the way of a sub-

stitute which would endeavor to compromise the views on the House side and the views on the Senate side. The main purpose is to try to pass a retirement bill.

The ACTING PRESIDENT pro tempore. Without objection, the amendment offered in the nature of a substitute will be printed in full in the RECORD without reading.

The amendment was to strike out all after the enacting clause and insert in lieu thereof the following:

That section 2 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 2. (a) Except as provided in section 204 of the act of June 30, 1932 (47 Stat. 404), and section 3 of the act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this act applies who shall have completed 10 years of service computed as provided in section 5 of this act shall, on the last day of the month in which he attains the age of 70 years, or completes 10 years of service if the: beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least 60 days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said 60-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this act and who has reached the age of 60 years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

SEC. 2. Section 4 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 4. (a) The annuity of an officer or employee retired under this act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service not exceeding 35 years, or (2) 1 percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service not exceeding 35 years, plus a sum equal to \$25 for each year of such service but not exceeding 35 years: *Provided*, That in no case shall the annuity exceed an amount equal to 80 percent of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this act may at the time of his retire-

ment elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow equal to 50 percent of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 percent of such life annuity, reduced by three-fourths of 1 percent of such life annuity for each full year, if any, his wife is under the age of 60 at the date of such election; but shall in no case be less than 75 percent of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age 50, whichever is the later, and shall terminate upon her death or remarriage.

"(c) For the purpose of this act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(d) The term 'basic salary, pay, or compensation', wherever used in this act, shall be so construed as to exclude from the operation of the act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

SEC. 3. The first paragraph of section 5 of the act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than 5 years, exclusive of such military or naval service, before he shall be eligible for annuity under this act. Nothing in this act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

SEC. 4. The first three paragraphs of section 6 of the act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this act applies who shall have served for a total period of not less than 5 years computed as provided in section 5 of this act, and who, before becoming eligible for retirement under the conditions defined in the preceding section hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of free-

dom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within 6 months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within 6 months thereafter is receiving hospital treatment but the application in such case must be filed with the Civil Service Commission not later than 6 months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within 6 months after the effective date of this act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within 6 months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within 1 year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of 1 year from the date of such retirement and annually thereafter, until reaching age 60, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age 60 and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding 1 year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this act, he shall be considered as having been separated from the service within the meaning of section 7 (a) of this act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

SEC. 5. Section 7 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this act applies after having ren-

dered 5 years of civilian service, computed as prescribed in section 5 of this act, and before becoming eligible for retirement under this act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of 62 years, or the age at separation if beyond the age of 62 computed as provided in section 4 (a) of this act, or (B) the total amount credited to his individual account together with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of separation.

"(b) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this act be redeposited, together with interest at 4 percent per annum to December 1, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund."

SEC. 6. Section 8 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this act shall have been retired on annuity under the provisions of the act of May 22, 1920, as amended, or section 8 (a) of the act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this act is enacted by 25 percent or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to effective date of this act and have acquired title to annuity under section 7 of the act of May 29, 1930, as amended, beginning after such effective date, such annuity shall be computed as if this act had not been enacted: *Provided*, That any such officer or employee may elect to forfeit his right to such annuity and elect in lieu thereof to receive a refund as provided by section 7 of this act."

SEC. 7. Section 9 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within the purview of this act may deposit with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year, to the credit of the 'civil-service retirement and disability fund' a sum equal to 2½ percent of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ percent of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 percent of such basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 percent thereafter, covering service during which no deductions were withheld for deposit in the said fund. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Unless such deposit is made, no credit shall be allowed for the period or periods

of service involved: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

SEC. 8. The first paragraph of section 10 of the act of May 29, 1930, as amended, is amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 5 percent of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this act applies a sum equal to 6 percent of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the 'civil-service retirement and disability fund' created by the act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this act."

SEC. 9. Section 12 of the act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission, the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the 'civil-service retirement and disability fund' created by the act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this act applies who shall become absolutely separated from the service before he shall have completed an aggregate of 5 years of service computed as prescribed in section 5 of this act, or who shall be transferred to a position not within the purview of this act, the amount credited to his individual account together with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than 1 year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this act, be redeposited by such officer or employee before he may receive any credit for the service covered by the refund.

"(c) (1) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age 50, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee: *Provided*, That such payments shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service

computed as prescribed in section 5 of this act and is survived by a widow and a surviving child or children, such widow shall be paid an immediate annuity terminable upon death or remarriage, equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-fourth the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in section 12 (c) (3) hereof.

"(3) In case any officer or employee to whom this act applies shall die after having rendered at least 5 years of civilian service computed as prescribed in section 5 of this act and leaves no surviving widow but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of an annuity computed as provided in section 4 hereof with respect to such officer or employee, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

"(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of 18 years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"(5) Any surviving widow entitled to an annuity under this subsection may elect to waive the right to receive such annuity and to receive in lieu thereof a refund of amounts credited to the individual account of the officer or employee with interest thereon at the rate of 4 percent per annum to December 31, 1947, and 3 percent thereafter, compounded on December 31 of each year to the date of such officer's or employee's death. In any case in which a surviving widow elects to receive a refund under this paragraph, no annuity shall be payable to such widow or to any surviving child of the officer or employee under this subsection. This paragraph shall not be applicable in the case of the surviving widow of any officer or employee if such officer or employee shall have filed a notice in writing with the Civil Service Commission to the effect that he does not desire such paragraph to be applicable in his case.

"(d) As used in this section—

"(1) The term 'widow' means a surviving wife of an individual, who either (A) shall have been married to such individual for at least 5 years immediately preceding his death, or (B) is the mother of issue by such marriage.

"(2) The term 'child' means an unmarried child, including a dependent stepchild or an adopted child, under the age of 18, or an unmarried child who because of physical or mental disability is incapable of self-support, a dependent stepchild, or an adopted child.

"(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annui-

tant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"(e) In case (1) an officer or employee to whom this act applies shall die before having rendered 5 years of civilian service computed as prescribed in section 5 of this act or without a survivor or survivors entitled to annuity benefits provided by section 12 (c) hereof the total amount of deductions credited to his individual account with interest thereon at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of death, or (2) the annuity of an annuitant under section 12 (c) shall terminate before he and any other persons who shall have received an annuity based upon the service of the officer or employee shall have received in annuities an aggregate amount equal to the amount to the credit of such employee's individual account as of the date of commencement of the annuity under section 12 (c) and no other person is entitled to an annuity based upon such service, the total amount of deductions remaining to the credit of the individual account of such officer or employee, with interest thereon at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year, to the date of commencement of such annuity, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such officer of employee and recorded with the Civil Service Commission.

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee.

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(f) In case a retired employee who has not elected a joint and survivorship annuity as provided in section 4 (b) of this act shall die without having received in annuities an amount equal to the total amount credited to his individual account with interest thereon at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter compounded on December 31 of each year to date of retirement, the difference and/or any accrued annuity due shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded with the Civil Service Commission.

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant.

"Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(g) Where any payment under this act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant

or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(h) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"(i) Each employee or annuitant to whom this act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

SEC. 10. The first paragraph of section 13 of the act of May 29, 1930, as amended, is amended to read as follows:

"Annuities granted under the terms of this act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

SEC. 11. The third paragraph of section 13 of the act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this act shall commence the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

SEC. 12. Section 14 of the act of May 29, 1930, as amended, is hereby repealed.

SEC. 13. Except insofar as amendments made by this act change rates of interest, such amendments shall not apply to any person subject to the provisions of section 3A of the act of May 29, 1930, as amended, and the rights and obligations of such person under such act shall continue as though this act had not been enacted.

Mr. McMAHON. I should like to address an inquiry to the chairman of the committee. At the last session a retirement bill was passed. As I understand, there is nothing in this substitute which in any way conflicts with the rights granted in connection with the Federal Bureau of Investigation at the last session?

Mr. LANGER. That is correct.

Mr. TAFT. I will say to the Senator from Connecticut that the provisions re-

lating to the Federal Bureau of Investigation stand without amendment in this substitute bill.

Mr. McMAHON. I thank the Senator.

Mr. BYRD. Mr. President, I should like to ask how many retirement plans are in effect besides this bill. How many agencies of the Government have their own retirement plans?

Mr. LANGER. I do not know exactly, but the intention is to cover in this bill everyone we possibly can.

Mr. BYRD. Has not the committee any information as to how many agencies have their own retirement plans?

Mr. LANGER. No; it has not.

Mr. BYRD. There are quite a large number, are there not?

Mr. LANGER. Yes.

Mr. WILLIAMS. Mr. President, has the amendment been agreed to?

The ACTING PRESIDENT pro tempore. No; it has not.

The question is on agreeing to the amendment which has been offered in lieu of the committee amendment.

Mr. TAFT. Mr. President, I offer three amendments. I think I have the right to modify the substitute. These three amendments are on the desk of the Senators in mimeograph form and will be part of the substitute to be discussed.

The ACTING PRESIDENT pro tempore. The Chair wishes to determine whether the Senator from Ohio desires to have the amendments considered and acted upon en bloc or individually.

Mr. TAFT. I think I have a right to modify the amendment simply by requesting that it be thus modified. So I request that it be modified by the adoption of these three amendments. Then a motion to strike out will be in order.

Mr. BYRD. Mr. President, these are very important amendments. I happen to favor two of them, but I am opposed to one. I wish to enter my protest against having all three of them considered and acted upon at one time.

Mr. TAFT. Then, Mr. President, I modify my request, and I now ask that the substitute be modified by adopting the amendment to section 14 and the amendment on page 18, as to which I understand the Senator from Virginia has no objection.

Mr. BYRD. That is correct; I have no objection at all to them.

Mr. TAFT. And thereafter I shall move the other amendment, which then can be discussed.

Mr. BYRD. The amendment which the Senator from Virginia wishes to hear fully discussed is the one on page 11, in line 15.

Mr. TAFT. Yes. I shall reserve that at this time, and shall offer it later for action by the Senate.

Mr. BYRD. Very well.

The ACTING PRESIDENT pro tempore. The modifications proposed by the Senator from Ohio to his own amendment will be made.

The modifications are as follows:

On page 18, line 12, after "(2)", insert the following: "any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity,

the total amount credited to his individual account with interest at 4 percent per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 percent per annum thereafter, compounded on December 31 of each year, to date of death, or (3)."

On page 23, after line 3, add a new section as follows:

"Sec. 14. Section 3 (a) of the act of May 29, 1930, as amended is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this act by the act of July 13, 1937, serving in such position on the effective date of this act, may give notice of his desire to come within the purview of this act at any time prior to July 1, 1948."

Mr. TAFT. Mr. President, I now offer to my amendment in the nature of a substitute the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 11, line 15, it is proposed to strike out the word "may" and insert in lieu thereof "shall."

On page 12, beginning with the word "Unless", in line 10, strike out through the word "involved", in line 12, and insert in lieu thereof the following: "notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to the amount of annuity such deposit would purchase if made, unless the officer or employee shall elect to eliminate such service entirely from credit under this act."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio to his amendment in the nature of a substitute.

Mr. TAFT. Mr. President, I should like to make a brief statement at this time as to the general purposes of the bill.

This bill revises the civil-service retirement system which covers most of the civil-service employees in various employments under the Federal Government. As the Senator from Virginia has pointed out, there are perhaps 12 other retirement plans applying to Federal employees. The State Department has a separate plan, the TVA has a separate plan, and so forth. It is unfortunate that this entire subject has not been subjected to more complete study and coordination.

Nevertheless, this particular proposal, covering the bulk of the employees of the Government, has been before the Senate for a year, now.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield.

Mr. REVERCOMB. Is the Senator from Ohio addressing his remarks to the bill, as presented, or to the substitute which he is offering?

Mr. TAFT. I am addressing my remarks to the substitute. We are working now on the substitute which I have offered, but which is a combination of the

House bill and the Senate bill. However, I am speaking now of the program as amended by the substitute.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. WILLIAMS. Has any estimate been made of the prospective cost to the Government of the substitute bill?

Mr. TAFT. The last estimate which has been made is that it will cost approximately \$42,000,000 a year, in addition to the present cost. However, if the Senator does not mind my doing so, I prefer first to make a statement as to the general nature of the bill, and what it does.

Mr. WILLIAMS. Will the Senator yield at this point for a further question?

Mr. TAFT. I yield.

Mr. WILLIAMS. I notice that the chairman of the committee has said that the substitute is a more liberal measure. I wonder whether the Senator from Ohio feels that this is a more expensive bill than Senate bill 637, or whether it is a cheaper bill.

Mr. TAFT. It is a cheaper bill; its cost will be approximately \$42,000,000 less, according to the estimate of the actuaries.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. WILLIAMS. In the committee report on Senate bill 637, which is the bill before us, the cost is estimated as follows:

It is estimated by the Civil Service Commission that the contributions from the employees plus the savings brought about through the economies cited above would almost totally finance the cost of S. 637, as amended. On the basis of maximum estimated expenditures and minimum estimated savings, the ultimate cost to the Government when the system reaches maturity, approximately 30 years hence, may be four or five million dollars per year; no immediate increase in appropriations is required.

I now understand from the Senator from Ohio that he has a bill which will be \$60,000,000 cheaper than this bill, but still will cost us \$40,000,000 a year more than the original bill. Is that correct?

Mr. TAFT. The statement I made was that after the present plan is amended by the bill as presented under the substitute plan, it will increase by \$42,000,000 a year the annual pensions paid by the United States Government. It will be less expensive than the Langer bill.

Mr. WILLIAMS. It will be less expensive by \$60,000,000, and yet it will cost us \$42,000,000 more. I do not quite understand that.

Mr. TAFT. I have no defense to make for the various varying estimates submitted by different Government departments in the past, but the one upon which I am relying shows that the Stevenson bill, the House bill, would cost approximately \$84,000,000 more than the present system, and the substitute would cost approximately \$42,000,000 more than the present system.

Mr. WILLIAMS. Let me ask the Senator from Ohio when the estimate of \$84,000,000 as to the House bill was made, and by whom.

Mr. TAFT. Under date of January 16, by a letter of which the Senator from Delaware has a copy, I am sure.

Mr. WILLIAMS. That is correct.

Mr. TAFT. It was addressed to the Honorable Harry B. Mitchell, President of the Civil Service Commission, by the Government actuaries.

Mr. WILLIAMS. As the Senator has said, I have received a copy of the letter. But the point I cannot quite understand is that I hold in my hand at this time a copy of another letter, under date of July 24, signed by Mr. Mitchell, President of the Civil Service Commission, in which he gave a report on the same bill, House bill 4127; and at that time he said the cost would be only \$15,000,000. The report is signed by the same group of actuaries, and no amendments have been made to the bill thus far.

Mr. TAFT. Of course, I do not propose to reconcile different statements submitted by different Government officials at different times.

All I can say is what this letter shows. I ask consent that it be printed at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 16, 1948.

HON. HARRY B. MITCHELL,
President, United States Civil Service Commission, Washington, D. C.

DEAR MR. MITCHELL: In accordance with the request of the Civil Service Commission, the Board of Actuaries, joining with Mr. John D. Phenix, actuary and statistician of the Senate Civil Service Committee, and Maurice S. Brown, actuary of the Civil Service Commission, has prepared a new valuation of the cost to the Government of the existing Civil Service Retirement and Disability Fund as of September 30, 1947, and the corresponding cost as it would be if the bill H. R. 4127, passed by the House of Representatives on July 21, 1947, became a law. The figures have been rushed and the results are submitted in this communication without delaying the submission for the preparation of a report. The work was done under the immediate supervision of Mr. Brown.

On August 29, 1947, you joined WILLIAM LANGER, chairman of the Senate Committee on Civil Service, in requesting data as to sex, years of service, age, and salary from all departments and agencies having members under the Civil Service Retirement Act. From some departments complete returns were secured, and from others, sample returns were submitted. The results gave a sample of better than 30 percent of the entire membership. For departments which submitted on the sampling basis, the results were adjusted to represent the total number of current employees as reported by such departments. The total membership thus obtained was 1,510,670 members on an annual compensation base of \$4,438,882,859, and all figures of cost presented herein were predicated on this membership.

Records of annuitants are maintained by the Retirement Division of the Commission. Including an allowance for applications and the process of adjudication, the retired roll on September 30, 1947, was 120,684 persons drawing allowances at the rate of \$109,760,951 per annum.

In calculating the costs under the two sets of retirement provisions, the Board has shown the contribution rates necessary to liquidate the accrued liability, that is, the liability on account of prior service, as the percentages of the total active pay roll, which represent interest at the valuation rate of 4 percent on the respective amounts of the accrued liabilities under the two plans. This procedure gives a lower percentage rate of,

pay roll than does the one previously used by the Board with respect to prior service contributions under the existing law. However, it was deemed desirable to proceed in this manner in order not to include in the figures comparing the relative costs of the two groups of provisions, an allowance for the amortization of the accrued liability which might tend to overstate the true differences between the plans. The revised normal cost of the provisions under the existing law and the normal cost of the provisions under the proposed law as obtained from the present valuations are as follows:

TABLE 1.—The normal cost of the various benefits allowable under the existing plan, expressed as percentages of pay roll, compared with the corresponding costs under H. R. 4127 as passed by the House of Representatives on July 21, 1947

Benefit	Normal rates		Ratio of H. R. 4127 to existing plan
	Exist- ing plan	H. R. 4127	
	Percent	Percent	Percent
Service.....	4.59	5.09	111
Disability.....	.75	.84	112
Discontinued service:			
Voluntary.....	.39	.38	97
Involuntary.....	.58	.82	141
Return of contributions on withdrawal without a retirement benefit and on death.....	1.14	1.08	95
Subtotal.....	7.45	8.21	110
Widows:			
Payments deferred to age 60.....		.47	
Payments during period youngest child is under age 18.....		.09	
Subtotal.....		.56	
Total rates.....	7.45	8.77	118
Less rate payable by employees.....	5.00	6.00	120
Net rate payable by Government.....	2.45	.77	113

The Board then determined the total present value of the liabilities under the present plan and under the proposed act and the respective present values of the future normal contributions under the plans. Deducting the funds in hand and the present value of the future contributions from the total liability gives the accrued liability for each plan. The figures obtained from the valuation are shown on the following page.

TABLE 2.—Comparative statement of assets and liabilities under the existing plan and of the corresponding assets and liabilities under H. R. 4127, as passed by the House of Representatives on July 21, 1947, prepared as of Sept. 30, 1947

ASSETS (MILLIONS)			
Item	Exist- ing plan	H. R. 4127	Ratio of H. R. 4127 to exist- ing plan
			Percent
Funds in hand.....	\$2,707	\$2,707	100
Service credit payments payable by members who wish to receive credit for past service.....	209	97	43
Present value of prospective contributions of employees.....	2,663	3,195	120
Present value of prospective contributions by Government:			
Normal.....	1,304	1,481	114
Accrued liability.....	2,866	4,616	161
Subtotal.....	4,170	6,097	143
Total assets.....	9,749	12,096	124

TABLE 2.—Comparative statement of assets and liabilities under the existing plan and of the corresponding assets and liabilities under H. R. 4127, as passed by the House of Representatives on July 21, 1947, prepared as of Sept. 30, 1947—Continued

LIABILITIES (MILLIONS)			
Item	Exist- ing plan	H. R. 4127	Ratio of H. R. 4127 to exist- ing plan
			Percent
Value of voluntary deposits.....	6	6	100
Present value of annuities payable to retired annuitants as of the valuation date:			
Annuitants now on roll.....	963	1,187	123
Annuitants eligible for deferred annuities.....	369	437	118
Subtotal.....	1,332	1,624	122
Present value of prospective benefits payable to or on behalf of present active members:			
Retiring on account of age.....	6,011	7,221	120
Retiring on account of disability.....	804	868	108
Retiring on a discontinued service benefit:			
Voluntary separation.....	249	261	105
Involuntary separation.....	558	774	139
Withdrawing without a retirement benefit or dying.....	789	637	81
Subtotal.....	8,411	9,761	116
Present value of prospective benefits payable to widows of deceased members:			
Upon attainment of age 60 by widow.....		618	
During period that youngest child is under age 18.....		87	
Subtotal.....		705	
Total liabilities.....	9,749	12,096	124

The normal cost figures combined with the accrued liability figures, as previously presented, may be expressed in terms of the annual appropriations needed to support the benefits, as shown in table 3:

TABLE 3.—Annual contributions required to support the existing plan compared with corresponding contributions under H. R. 4127 as passed by the House of Representatives on July 21, 1947, prepared as of Sept. 30, 1947

Contributions payable by—	Normal cost as—		Deficiency cost as—		Total cost as—	
	Percentage of pay roll	Annual amount as of Sept. 30, 1947 (millions)	Percentage of pay roll	Annual amount as of Sept. 30, 1947 (millions)	Percentage of pay roll	Annual amount as of Sept. 30, 1947 (millions)
EXISTING PLAN						
Total.....	7.45	\$331	2.59	\$115	10.04	\$445
Employees.....	5.00	222			5.00	222
Government.....	2.45	109	2.59	115	5.04	224
H. R. 4127						
Total.....	8.77	389	4.17	185	12.94	574
Employees.....	6.00	266			6.00	266
Government.....	2.77	123	4.17	185	6.94	304
RATIO OF H. R. 4127 TO EXISTING PLAN						
Total.....	Percent 113	Percent 113	Percent 161	Percent 161	Percent 129	Percent 129
Employees.....	120	120			120	120
Government.....	113	113	161	161	138	133

We trust that the above figures and comments will give the committee such information as it needs in order to arrive at the relative difference in cost between the existing law and H. R. 4127 as passed by the House of Representatives on July 21, 1947.

Very truly yours,

GEORGE B. BUCK.
EDWARD B. FACKLER.
R. B. REACH.
JOHN D. PHENIX.
MAURICE S. BROWN.

Mr. TAFT. Mr. President, as we see from reading the letter, it shows that the cost of the Stevenson bill is approximately \$84,000,000 a year. I may say that informally the same actuaries have estimated that the cost of the substitute will be approximately one-half of that cost, or \$42,000,000 a year additional.

Mr. President, let me finish the general statement in regard to the bill: What the bill does, in the first place, is to increase the pensions of those who already have retired. The bill will increase their pensions by 25 percent, or \$300, whichever is less. That amounts to an average increase in pensions of approximately 23 percent for those who already have retired. Of course, that is a straight gift. Their pensions accumulated under a certain plan; and, frankly, this would be a gift on the part of the Government, in order to increase their pensions somewhat. No one has suffered in the United States as much from the increase in the cost of living as the people who have been on fixed pensions. While I do not know that we can adopt any such policy for other employees, I think the Government, as an employer, can properly go back and make that increase.

Mr. ELLENDER. Mr. President, will the Senator inform us whether the additional amount to be given pensioners is to be borne entirely by the Federal Treasury, or will any of it come from the pension fund?

Mr. TAFT. It will be borne by the Federal Treasury. Obviously that is done in respect to those who are drawing the pensions to which their contributions entitle them, with the additional Government contribution. This is an additional Government contribution. It makes up about \$24,000,000 of the additional cost of \$42,000,000. It is the most expensive single item, but one which I think on any basis of fairness and justice is justified.

Mr. ELLENDER. Mr. President, will the Senator tell us what differences, if any, exist in his substitute to the pending bill, as to the age of retirement of employees?

Mr. TAFT. The age of retirement is left exactly as it is in the existing law. We eliminated entirely section 1 of both bills. It is left exactly as it is in the existing law. Some modification may be necessary, but that is one feature which was eliminated. Roughly speaking, a man may retire at 62 after 15 years' service; at age of 60, if he has had 30 years of service; or with 30 years' service, he may retire at 55, but in that case the pension is calculated as being of the same value as the pension he would have received at age 60.

Mr. ELLENDER. In any event the age of retirement is not affected by the substitute; it remains as it is in the present law, does it not?

Mr. TAFT. Exactly.

Mr. ELLENDER. How about the payments to be made by the employees? What difference is there between the present law, the pending bill, and the Senator's substitute?

Mr. TAFT. The provision of the present law is 5 percent. All the bills, including the substitute, increase that to 6 percent.

Mr. ELLENDER. I thank the Senator.

Mr. COOPER. Mr. President will the Senator yield?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. COOPER. Relative to the matter of the payment of the additional \$300 a year just discussed, is it not true that the Government must appropriate each year sums additional to those paid by employees to make payments to annuitants?

Mr. TAFT. Yes; obviously. In many private pension funds, the employer pays in half and the employee pays in half, but the Government has never paid in anything. Its payments are made on a current basis, as the pensions are paid, and about \$223,000,000 is appropriated today by the Government as its share of the pensions. To that, of course, is added whatever the employee is entitled to, from what he has put into the fund.

Mr. COOPER. Then it will be necessary to increase appropriations to provide for the payment to each annuitant of the additional \$300, will it not?

Mr. TAFT. The appropriation will be enlarged, as far as I can judge, by approximately \$24,000,000 over the present payments to those who have already retired.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Nebraska.

Mr. WHERRY. I wish the distinguished Senator from Ohio would explain what was in section 1 of Senate bill 637. It is cut out, and the amendment substituted.

Mr. TAFT. It raises a question as to whether a man may retire at 55 after 25 years of service. That provision expired in 1947. Whether it should now be renewed and made permanent is debatable. I mean, those matters are still in the House bill, and they may be discussed in conference, but in order to avoid furious controversies, as I thought, it seemed desirable to leave the law as it is. There is no objection that I can see to the present law, except that it makes a little more difficult the calculation of pensions on a reduced basis.

Mr. WHERRY. Does the Senate bill have this provision in it?

Mr. TAFT. The House and Senate bills adopted a special, arbitrary type of deduction, when one retired at 55 and got a pension at 55. This leaves it to be determined on an actuarial basis by the actuaries, and that is the provision of the present law.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from West Virginia.

Mr. REVERCOMB. First, I want to ask the Senator a question, so that we may be very clear on this point. The bill covers and applies, does it not, to employees of the Congress, the officers of both Houses of Congress, and the office employees of Senators, on their retirement?

Mr. TAFT. Yes. It applies to legislative employees.

Mr. REVERCOMB. I call the Senator's attention to page 3, section 4, line 8, of his substitute, in which it is provided that "1½ percent of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years" shall be the basis of the payments to annuitants. On page 4, subsection (d), it is provided as follows:

(d) The term "basic salary, pay, or compensation," wherever used in this act, shall be so construed as to exclude from the operation of the act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.

As I understand, the annuity is based and calculated upon what we call the base pay, but I am advised that the amount of the deductions is based upon the gross pay, including overtime payments. There seems to be a discrepancy between deductions based on gross pay and the payment of annuities figured on base pay, exclusive of overtime.

Mr. TAFT. I am informed that at least as far as legislative employees are concerned, the calculations are made on gross pay. It is so interpreted. Why it is so interpreted I cannot tell the Senator. The provision is in the existing law, and in all the other bills. I had not had it called to my attention, but I am informed that because of the way the legislative provision was drawn, it is based on gross pay. I imagine that is because the legislative salary is not stated as a bonus, but as pay calculated on statutory pay, plus certain additions and percentages.

Mr. REVERCOMB. But those additions and percentages were made in lieu of overtime payments, and were paid in some of the departments. Does not the Senator feel that it is rather inequitable, so far as the employees of the legislative branch may be concerned, to have deductions made upon gross pay, and annuities paid only upon base pay?

Mr. TAFT. No. I understand the annuity is based on gross pay, as far as legislative employees are concerned. I am so informed.

Mr. REVERCOMB. I did not have that information. If that is correct, then there is no inequity.

Mr. TAFT. The deductions are also made on gross pay, but the pension is figured on gross pay. I am so informed.

Mr. REVERCOMB. Then, I ask the Senator again, does the provision which states that the annuity shall be calculated upon base pay apply to legislative employees?

Mr. TAFT. Apparently it does not. Why it does not, I do not know. As I have said, this has been in all the bills, and my attention had not been called to it until the Senator brought it up. If the Senator finds the situation is otherwise and has an amendment to offer, we should certainly be glad to consider it.

Mr. REVERCOMB. I certainly feel, I may say to the able Senator, that deductions and calculations of annuities should be upon the same basis, certainly, to be fair.

Mr. TAFT. Oh, they are on the same basis. There is no question about that.

Mr. REVERCOMB. If there is any question of the new bill affecting that or changing that in any way with respect to employees of any branch of the service, I think it ought to be taken care of.

Mr. TAFT. It does not change in any way the existing law. That much I can tell the Senator with certainty.

Mr. REVERCOMB. If it does not change the existing law, then it does not change the situation with respect to employees of the legislative branch, I take it.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I just wish to remark, in connection with what the Senator from Ohio has said, that in the committee it was our intention at all times to have the annuity fixed on the same basis with the deductions, so far as the retirement fund is concerned.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Virginia.

Mr. BYRD. With respect to legislative employees, they were given a percentage increase in lieu of overtime. That is the reason why the total would not be included in the base pay.

Mr. TAFT. I suppose that the base pay for legal purposes is what we regard as the gross pay, and that what we refer to as base pay is just a basis of calculation to determine the legal base pay. I assume that is the reason for the ruling.

Mr. BYRD. An exception was made that an increase in salaries be provided for by giving to those in the legislative branch the percentage increase in lieu of overtime because it was impossible to calculate the overtime. I should like to know, as the Senator from West Virginia asked, whether this will include the percentage of overtime which was a part of the increase of the legislative branch. It was impossible to calculate the overtime.

Mr. TAFT. I understand the base pay includes that increase, and that the calculations of the pensions and deductions, in the case of legislative employees, are all based today on the gross pay. I am so informed, and I have every reason to believe that is the fact. In any event, it is exactly the same as the present law.

Mr. President, section 4 of the act is amended on page 3 of the substitute by changing the basis of calculating the annuity. It makes the procedure sim-

pler. It will be, I think, very little more expensive than the present system, but it is much more easily understandable, and under it calculations can be made much more easily.

There are some differences between section 2 of my substitute and the Langer-Chavez bill. One has to do with the 35-year limitation, which is the current law. Another is that the annuity shall in no case exceed an amount equal to 80 percent instead of 90 percent, which is the provision contained in the Langer-Chavez bill. That is the maximum. In other respects my substitute is very much the same as the present law.

Section 3 on page 4 of the substitute requires that 5 years of civilian service be rendered before any employee may be eligible to an annuity, rather than a combination of civilian and military service as provided in the present law. Under the present law we got into a situation where a man could serve in the Army, and then be brought into the civilian service. He could then take advantage of the years he had served in the Army, without paying any back money, and after a very short time begin to draw a pension after he retired, by receiving credit for his years of service in the Army. The substitute requires that an individual must have at any rate 5 years of civilian service before he is entitled to a pension under the civilian pension law.

Section 4 is not material. It will allow employees who are receiving hospital treatment an additional period to file claims for disability annuities. The provision will cover only a few meritorious cases. It will also eliminate the necessity for medical examination of disabled annuitants after they have reached the age of 60.

Section 5 on page 9 of the bill makes perhaps the most important change in the Langer law. Under the law, as amended, after 5 years of service, an individual may retire at any time. He may then receive the money he has paid into the pension fund, no matter how long he served, either less or more than 5 years. He may receive back the money he has paid in with interest at 4 percent, and 3 percent after December 31, 1947. Or he may take a deferred annuity beginning at age 62 which, of course, will only be equivalent to the number of years which he served. The amount involved may be very small. If he has served 5 years it would be a small amount, of course, but the amount is based on the number of years he has served.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BYRD. In other words, an employee of the Government can receive back, whenever he desires it and terminates his service, any deposit he has made?

Mr. TAFT. That is correct. He may get back what he has paid in with interest.

Mr. BYRD. Regardless of how long he has served?

Mr. TAFT. Yes. Or he may receive a deferred annuity.

Mr. BYRD. When he does take the deposit he separates himself entirely from any annuity in the future?

Mr. TAFT. Yes.

Mr. BYRD. I am very much in favor of that provision.

Mr. TAFT. Not only that, but the measure provides further that if subsequently he returns to the service—and this is something which has produced some of the cases of serious abuse—if he subsequently returns to the service he cannot get back into the pension system except by placing in the fund the money he had previously drawn out. So if a man had served 4½ years, and retired, and draws out the money he has paid into the fund, and then later returns to the service and serves a half year more, and then makes a claim for a pension, he must return the money he previously drew from the fund if he again wants to come in under the law and receive a pension.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. With respect to the question which I raised, and which was discussed a few moments ago, concerning the provision on page 4, subsection (d), I wish to say to the Senator from Ohio that the Federal Employees Pay Act of 1945 is very clear that the employees of the judiciary branch and of the legislative bodies shall have their deductions based on gross pay, and their annuities based on gross pay. There may be some question respecting the language of the pending measure, and I suggest that on page 4, line 19, in subsection (d), the word "the" be stricken, and that there be inserted in lieu thereof, "except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the."

Then the language would continue "the term 'basic salary, pay or compensation,'" and so forth.

Mr. TAFT. Mr. President, has the Senator the amendment in written form?

Mr. REVERCOMB. Yes.

Mr. TAFT. If the Senator would care to submit the amendment I shall be glad to accept it.

Mr. REVERCOMB. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, line 19, it is proposed to strike out the word "the" and insert in lieu thereof the words, "except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia.

The amendment to the amendment was agreed to.

Mr. GEORGE. Mr. President, is there anything in the substitute which affects section 602, I believe it is, of the Reorganization Act of 1946, which gave to Members of the House and the Senate the benefits of the retirement system?

Is there anything in the substitute which affects that section?

Mr. TAFT. No. I left out the provision respecting Senators and Representatives entirely.

It seemed to me that it was wise, if we were going to revise that section, to revise it at a separate time. There is one exception to that statement, however. The measure reduces the rate of interest after the 1st of January 1948 to 3 percent. Otherwise it makes no change in the existing pension for Representatives and Senators.

Mr. GEORGE. That is, in case deductions are withdrawn?

Mr. TAFT. Yes; and the rate of interest affects the size of the annuity to some extent in the future.

Mr. President, perhaps the thing which is most sought after by the employees, and to which I think they are most entitled, is survivorship payments. The measure provides for them. If a man dies, his wife will receive an annuity equal to 50 percent of the annuity which he would have received, from the time that she is 50 years of age. In that respect the bill is more liberal than the Langer bill. Under the Langer bill she would not become eligible until 60 years of age. The measure now before us provides that she can start receiving her pension at 50 years of age if she has not remarried by that time; that is, unless she has a minor child or children. There is then provided an annuity for minor children left by a man who dies in the service.

Most pension plans today provide for such survivorship benefits, and I think it is certainly only putting this system in line with other systems to provide that additional matter. I think I am correct in saying that the entire cost of those survivorship benefits is paid by increasing the payment from 5 percent to 6 percent. That is substantially what the increase in the deduction from the pay is for—to pay for the survivorship benefits. The other cost additions in the substitute are covered by the increased cost to the Government, which is approximately the same proportion as the increased cost to the employee.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. COOPER. Upon the question of survivorship, is there any particular reason, actuarial or otherwise, for providing that the benefit shall not be paid until the widow reaches the age of 50 years?

Mr. TAFT. The bill, after all, is a pension bill, to take care of people in the upper-age groups. It is not primarily life insurance. I cannot answer the Senator's question. I suppose it can be done anyway. But the bill as presented, I think both in the House and Senate, provided for the widow's pension to begin at age 60. If the man has retired, he may accept a reduced annuity in consideration of the fact that after his death his widow shall continue to receive a 50-percent pension. That is true, I think, no matter what her age may be, after the husband has retired, if he accepts a reduction in his own pension. He may provide his widow with a pension by ac-

cepting a reduction. But this provision is to cover cases of death in the service, and in most cases I suppose that the widow under 50 is presumably able to work. Most widows are unless they have minor children. If a widow has a minor child or children, then she may draw her pension.

Mr. COOPER. I note also on page 17 the substitute defines a widow as "a surviving wife of an individual who * * * shall have been married to such individual for at least 5 years immediately preceding his death."

Is there any particular reason for requiring as a condition of eligibility that a widow must have been married 5 years?

Mr. TAFT. I think that provision is contained in both measures, and I suppose it was placed in the substitute in order that a man on his deathbed might not marry for the purpose of giving a woman a pension. I think that is undoubtedly the reason for the language. Such a situation may be open to serious abuse, though it seems to me that only in rare cases would a marriage occur for such a reason. There would be greater possibility that a deserving widow who had married within 5 years before the death of her husband would be deprived of the advantages of the survivorship provision.

If she had a child, that provision would be waived, and she would receive the pension. If she had been married only a short time, and her husband died, presumably she would be just as well off as before she was married, just as able to work again, and possibly just as able to marry again.

Mr. COOPER. The Senator has placed this provision in his amendment to meet abuses which he assumes might occur. It seems to me that it is more likely the provision will work a hardship upon many surviving widows who need and deserve benefits and who did not marry for the purpose of securing benefits.

Mr. TAFT. Mr. President, I think I have covered the main features of the bill; as proposed to be amended by the substitute, except for the matter of the amendment which is now pending.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER] on behalf of the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I wish to state the question involved in the amendment. When the bill was drafted I did not understand the exact issue raised in this amendment, so it is not in the bill which was introduced day before yesterday; but I favor the amendment.

The amendment provides, on page 12, that any person may make deposits for past service. That is the general purpose of section 9. A person may make deposits for past service at certain percentages of his salary plus interest, and thereby bring himself into the pension system and receive a full pension. However, the present law provides that a person who does not wish to make back payments may still receive a pension based upon the Government's contribution, or the contribution which the Government would have made if he had made such deposits.

In other words, a man who comes into the system may pay his share, which is, let us say, half the cost of his pension, by making back payments. The Government then puts up approximately the same amount, and the pension which he receives is based upon those amounts.

Under the present law a man who does not wish to make the back payments—and a man who has been in the service for 20 years may not be able to make such payments—even though he does not make the payments, may receive that part of the pension which would have been contributed by the Government if he had made his payments. It does not cost the Government any more than if he made his deposits, except that without this amendment, in the case of a person who did not make the deposit, the Government would not put up anything.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BYRD. Suppose an employee had not made a deposit for 10 years, and then made a deposit under this provision. This provision would give him an advantage, as contrasted with other employees by reason of the contribution by the Government.

Mr. TAFT. Anyone who has been able to come into the system and has not elected to come in, cannot get in now, as I understand.

Mr. BYRD. In previous years there was a smaller deposit, and in some previous years no deposit was required. As I understand, under this provision a person who did not make any deposit would get the benefit of the Government contribution, which would give him an unfair advantage over employees who made the deposit.

Mr. TAFT. I do not understand that a person who failed to elect to come in can come in at this time. The provision covers only cases of new employees.

Mr. BYRD. The language is:

Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to the amount of annuity such deposit would purchase if made, unless the officer or employee shall elect to eliminate such service entirely from credit under this act.

Mr. TAFT. That is correct. It is exactly the same provision as that which applies to Senators and Representatives. Perhaps it is a disputable point, but any Senator or Representative who came in during the past 2 years may refuse to make a deposit, and yet receive in his pension a reflection of the contribution which the Government would make if he made the deposit. That has been the law for civil-service employees and for Senators and Representatives. I think it is a very liberal provision.

As I understand, this provision would not give any new right to any employee that he does not have under existing law.

Mr. BYRD. It must apply to a present employee, because a new employee would automatically come under the system.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WILLIAMS. As I understand the amendment of the Senator from Ohio, it merely retains the provisions now contained in the act. Under those provisions it is possible for a man who has had 10 or 20 years' service to withdraw from the Government service and take all his money back. If he can obtain employment for 1 day with some Government agency, or on some Senator's staff, he can be fired, and will still be eligible for a pension. By resigning or being removed, either voluntarily or involuntarily, he can withdraw all his money; and by reinstatement for as little as 1 day he can become eligible for a pension based upon his entire length of service. That was one of my objections with respect to the bill in the beginning. That provision was eliminated in the original so-called Taft substitute, but this amendment now proposed would restore the provision. I think the Senator from Ohio will agree with me.

Mr. TAFT. Yes. Unless this provision goes into the bill we shall be changing the existing law.

I should like to have the Senator cite a case in which he thinks this provision would give a person an undue advantage over someone who has been in the system all along.

Mr. WILLIAMS. One case I shall cite is a case which was described in the Washington Daily News of December 10, 1947, in an article written by Mr. John Cramer. In that article he referred to the case of a Mr. Geoffrey May, a Government employee who had been working with the Bureau of the Budget for about 14 years. The article states—and this was later confirmed—that he had decided to leave the Government service. I understand that he is now employed by the Government in the Greek relief program. Mr. May, with the knowledge and consent of Mr. Flemming and Mr. Irons, of the Civil Service Commission, arranged a deal whereby he would be employed by the Federal Security Agency on a newly created job which was to last for 45 days, at the end of which the job was abolished as prearranged, making Mr. May eligible under the involuntary separation provision of the act. He thereby became eligible for a greatly increased annuity valued at about \$9,000. He went to this job at a salary of \$10,000 a year. He paid into the fund for 45 days. His contribution amounted to approximately \$50 in that period. He thereby increased his annuity valuation \$9,000 for a payment of approximately \$50. I communicated with the Civil Service Retirement Division, and the story was confirmed. The job was started on May 15. It was abolished on June 30. No one seems to know what the man did, except that he set up his retirement privileges during the 45 days. I understand that the benefits which Mr. May received have since been taken away. I was also told that this was an isolated case, and that the same situation arose in very few cases. However, this is not true, as I find that it has happened 6,439 times in the past 12 months. That is confirmed in a letter under date of December 11, 1947, which I received, signed by Mr. Irons, of the

Civil Service Commission, in which he stated that there had been 6,439 such cases during the past 12 months. I asked Mr. Irons to pull from their files for me copies of the first 50 cases of persons retired during the month of March, as well as 50 who retired under that provision during the month of October. I took those 2 months, and the first 50 names in each month, in order to obtain a cross-section. I have the names of those retired under that provision.

To illustrate some of the extreme cases, I have the name of Mr. George W. Bunce. The total amount of his contribution was \$116.11 for his entire period of service. He is now on retirement at an annuity of \$409.56. The total value of his annuity is \$8,109.

Mr. TAFT. How long did he work for the Government?

Mr. WILLIAMS. Sixteen years and 10 months. His age is 55. He is retired under a reduced annuity. He was in the system only long enough to pay \$116.11, based upon an average salary of \$4,155. That means that he was in the system for only 2 or 3 months. He is now retired; and, according to the life-expectancy tables of the Civil Service Commission, there will be payments for nearly 20 years, amounting to a total of \$8,109.

Another case is that of James M. Bedford, who worked for the Government for 12 years and 10 months. Mr. Bedford has \$72.86 in the fund. He is on retirement, and at the age of 56 years and 11 months he has a paid-up retirement worth \$4,640.24.

Another case is that of Mr. George J. Barber. Mr. Barber worked for 34 years and 2 months. He was blanketed into the system in 1942. Mr. Barber has paid a total of \$138.18 into the fund.

Mr. TAFT. Let us take the case of a man who worked 34 years and 2 months and finally, for one reason or another, a law was passed placing him under the act and providing for compulsory deductions thereafter from his salary. The Government will add its share of his pension, covering 34 years. I do not know why it should not do so, even though he does not have the money to pay back a number of thousands of dollars which he might have paid year by year if he had been covered by a retirement plan at the beginning of the 34 years. This pension is an addition. The Government is saying, "If a man has worked for the Government for many years we will recognize that fact and give him a certain amount which will be in addition to his salary." To the extent that he himself has paid money into it it adds to the amount of this Government gift. It is true that various persons have been covered in. Sometimes they were not subject to the system. Of course no one was subject to it at one time. Groups of persons have been added in, and the Government took care of their past service also. There may be some abuses, but I think the principle of it is perfectly sound. Incidentally, if it is not sound, then it is clearly unsound, with reference to Representatives and Senators who have been covered into the system. I do not know of any private company which establishes a pension system

which does not base its pension at the beginning on a certain number of years' service to which neither the employee nor the employer contributes.

Mr. BYRD. Mr. President, there is no question at all that the Representatives and Senators have a special privilege given them in the law. I happened to be the one who offered an amendment to strike that out, and it received 20 votes out of 96.

Consider, for example, a man who has served 20 years in the legislative branch of the Congress, as a clerk to a committee, during which time there was no applicable retirement plan. There was no assessment made. That man can go to one of the departments of the Government and receive temporary employment and, by paying 5 percent of his salary for 1 year, can receive retirement pay for the rest of his life.

Mr. TAFT. I understand it has to be based upon permanent appointment, not temporary appointment.

Mr. BYRD. I happen to know of some appointments which were not permanent.

Mr. TAFT. That may have been the fact in the past. I do not think temporary appointments are covered by the plan at all.

Mr. BYRD. It is possible for a man to hold a position for 6 months or a year and pay in 5 percent of his salary and receive a life pension based on 20 years service in some other branch of the Government.

Mr. TAFT. Every pension system established today gives some credit for past service and contributes gradually a sum to bring up the necessary amount. Nearly every industry has done that. There is no particular reason why the Government should not add its share. It is not giving an employee any more than he would receive if he had paid up all of his deductions all those years. He receives the same amount which he would have received from the Government if he had paid those deductions. That is the only difference.

Mr. BYRD. Suppose the salary were \$3,000. He would pay in 5 percent. That would amount to \$150. He could then obtain a pension for his service, including all of his service in any other agency of the Government where there was no retirement system at that time. Consecutive service is one of the main factors in the determination of the amount of retirement.

Mr. TAFT. I suppose that any private employer is faced with the necessity of paying a man a pension, although that man contributes nothing. Every employer today thinks he has a moral obligation to take care of people who have worked for him a long time. I see nothing wrong with the theory that the Government contribute, out of the Government's pocket, if you please, a certain amount for pensions based on the number of years of service employees have had, in addition to the salaries paid at that time. The Government will not pay any more whether an employee pays or does not pay in his deductions. If he paid during that time he will receive a larger pension, and he receives the value of the money which he may deposit

later. The Government does not pay any more. The Government simply recognizes the fact that a man who has worked for the Government for a certain number of years is entitled to a pension. There are some features of this system that are perhaps too liberal, but I do not think that principle is wrong. I think that when we begin a pension system and someone comes under its provisions because of the passage of a new law, it is fair that the Government should give a man a pension based on the number of years of his employment, whether or not he is able to pay up the back payments.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WILLIAMS. The Senator from Ohio followed the particular case which I cited, that of a man who had 34 years of service. This particular gentleman, Mr. George J. Barber, who was the twenty-fifth man who retired during the month of March 1947, under the involuntary separation clause, held a position with the Government to the extent that

he had been a substitute mail driver, I have been informed, for approximately 30 years, and also held an independent job with a private industry. He drove the mail only on occasions when the regular mail driver was absent. He was blanketed in and retired on an annuity, notwithstanding the fact that for 30 years he had worked in private industry. The Senator from Ohio seems to think he was entitled to it. The value of the annuity to be received under the present law is \$17,850.60, for a payment of only \$116.11. The law passed in 1942 made that possible. The examples I have cited may be extreme cases, but there is not one of them in which the Government has not been "taken for a ride." The total amount of deductions from the salaries of these 100 employees sampled amounted to \$69,394.96, and the amount of the accrued liability of the Government required to pay their retirement pensions for the duration of their lives is \$501,607.33.

The Ramspeck Act was passed on the assumption that it would cost the Gov-

ernment very little. I have no objection to the Government's paying retirement benefits to employees based upon service, but I do not see any reason why we should pass a law providing for the payment of benefits for which the employees make no contribution.

According to the Department of Commerce there are 10,000,000 persons in this country over the age of 60 years. I do not see why we should give a special privilege just because a person is fortunate to have a Government job for as short a time as 1 week. The Senator from Ohio says that we cannot give benefits under a temporary appointment. But the law says that a man can work as short a time as 1 week on the assumption that he has a permanent appointment, and then can separate from the service, and be eligible for such benefits.

I ask unanimous consent to have printed in the RECORD the list of the 100 cases to which I have referred, containing the figures which I have cited.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ANALYSIS OF FIRST 50 INVOLUNTARY SEPARATION ANNUITIES AWARDED DURING MARCH 1947

Annuitant	Service		Age at commencing annuity		Average salary	Amount contributed to fund	Annuity awarded ¹	Years of life expectancy	Total of annuity to be received under present law	Present law annuity at 62 if voluntary separation ¹	H. R. 4127 annuity at 62 if voluntary separation ¹
	Years	Months	Years	Months							
1. Fred E. Boyd	5	5	67		\$1,800.00	\$471.72	\$216.72	11.94 M	\$2,587.63	\$202.56	\$232.91
2. Edwin Kline	8	7	59	9	2,600.00	893.32	282.00	16.49 M	4,650.18	332.52	416.67
3. Lewis H. Holliday	5	11	55	3	1,850.00	470.05	135.48	19.62 M	2,658.11	228.48	205.29
4. James M. Bedford	12	10	56	11	700.00	72.86	251.64	18.44 M	4,640.24	391.04	227.33
5. Rafael A. Gandia	5	1	55	3	1,300.00	259.19	101.04	19.62 M	1,982.40	171.50	166.08
6. William Girard	6	10	55		1,600.00	354.24	154.20	19.80 M	3,053.16	240.96	281.45
7. Peter Wagner	19	1	58	2	1,592.29	1,150.14	545.76	17.57 M	9,586.98	672.48	761.23
8. May A. Gartland	5	2	55	4	1,554.17	333.10	124.44	22.51 F	2,801.14	188.04	209.46
9. Wm. F. Emerson	7	2	56	8	2,400.00	708.79	187.20	18.62 M	3,485.66	282.96	351.17
10. Lonnie Riley	17	7	55	0	2,100.00	408.30	382.56	19.80 M	7,574.78	570.48	685.55
11. Willis E. Hackley	18	7	56	10	2,000.00	1,580.93	486.12	18.50 M	8,993.22	703.56	796.00
12. Albert I. Decker	6	0	70		2,605.00	652.39	243.00	10.28 M	2,498.04	243.00	301.26
13. S. May Allen	12	5	62		2,100.00	899.17	505.68	17.68 F	8,940.42	443.52	579.73
14. Dayton D. Beverage	6	3	59	10	1,100.00	233.75	170.52	16.44 M	2,803.34	207.48	225.00
15. John J. Menotti	5	4	55	6	1,700.00	238.58	127.32	19.44 M	2,486.10	204.00	234.83
16. Bernhard Lawrence	5	9	67		2,600.00	676.49	230.52	11.94 M	2,752.40	230.52	293.00
17. Thomas A. Crawford	18	3	57		3,253.75	556.57	488.64	18.38 M	8,981.20	585.48	777.19
18. Daniel F. Sullivan	13	1	60		2,281.46	373.65	387.24	16.32 M	6,319.75	411.48	429.68
19. Hugh J. Carr	6	1	62		3,211.52	632.18	288.12	15.00 M	4,321.80	243.48	347.42
20. George W. Bunce	16	10	55		4,155.00	116.11	409.56	19.80 M	8,109.28	503.04	712.62
21. Frank J. Coombes	9	6	67		1,750.00	376.98	373.08	11.94 M	4,454.57	315.00	364.17
22. Millard Markland	13	8	68		1,522.07	445.71	520.08	11.38 M	5,918.51	441.00	549.67
23. Gustave Rummell	6	7	56	5	2,500.00	605.98	163.20	18.79 M	3,066.52	256.48	303.52
24. Omer M. Richley	5	3	59	6	2,000.00	448.19	167.40	16.66 M	2,788.88	192.50	222.25
25. George J. Barber	34	2	62		2,000.00	138.18	1,190.04	15.00 M	17,850.60	914.04	1,035.75
26. George W. Rogers	5	0	62		1,862.88	416.16	198.00	15.00 M	2,970.00	185.00	211.90
27. Paul K. T. Kirk	5	4	55	5	2,300.00	546.51	126.24	19.50 M	2,461.68	212.00	259.09
28. Frederick S. Nyham	5	8	55	6	1,800.00	384.07	134.28	19.44 M	2,610.40	211.00	220.33
29. Thomas J. Shea	5	0	64	0	2,296.93	541.74	207.00	13.74 M	2,844.18	204.00	231.69
30. Clinton D. Crouch	13	5	64		1,800.00	529.13	533.64	13.74 M	7,332.21	457.50	422.68
31. David W. Myers	5	10	58	3	2,650.00	720.39	183.72	17.51 M	3,216.93	246.00	301.17
32. Frank J. McCarthy	10	2	57	7	2,600.00	805.47	282.00	17.98 M	5,070.36	372.00	502.82
33. Barco Newcomb	12	2	67		4,812.73	4,135.44	836.52	11.94 M	9,988.04	558.00	889.75
34. Camille C. Malmgren	17	1	62		2,698.33	1,200.64	683.28	16.99 F	11,608.92	605.50	888.00
35. George P. Thompson	8	11	57		2,887.79	584.66	213.00	18.38 M	3,914.94	311.50	350.94
36. James E. Wilson	8	2	77		1,517.53	242.76	293.16	6.97 M	2,043.32	275.23	209.38
37. Mary W. Pearson	8	2	57	8	1,262.70	28.57	231.96	20.78 F	4,820.12	231.96	234.18
38. Thad Evans	9	2	55		1,555.05	109.52	180.36	19.80 M	3,571.12	281.00	207.12
39. Elmer E. Linn	8	5	71		1,673.57	153.01	335.76	9.76 M	3,277.01	267.50	349.14
40. Chester E. Colerane	20	11	66		1,666.39	433.29	846.60	12.53 M	10,607.89	676.50	871.38
41. Robert P. Halland	5	8	62		2,600.00	705.65	230.00	15.00 M	3,450.00	230.00	288.84
42. Francesco D. Amico	6	1	56	5	1,737.41	401.40	152.88	18.79 M	2,872.61	218.50	257.76
43. Francisco Rivera	5	10	56	8	2,600.00	681.33	156.24	18.62 M	2,909.18	235.00	297.00
44. Nettie K. Blundell	16	10	55		2,100.00	1,172.33	402.24	22.76 F	9,154.98	604.00	730.06
45. Leon S. Mauc	6	0	56	2	1,700.00	377.29	148.08	18.97 M	2,809.07	216.00	254.00
46. Oscar Williams	5	10	65		1,642.65	365.98	229.32	13.13 M	3,010.97	204.00	216.67
47. Lucius Charles	5	7	55	10	1,700.00	204.97	123.72	19.20 M	2,375.42	187.50	193.33
48. William P. Burke	6	11	57	5	2,300.00	592.80	188.52	18.09 M	3,410.32	259.50	342.23
49. Alexander E. Lenczer	5	11	67		2,000.00	391.52	244.68	11.94 M	2,923.45	216.50	277.55
50. Patrick M. Murphy	5	2	69		1,600.00	374.79	210.60	10.82 M	2,278.69	197.00	203.34

¹ Annuity reduced according to outstanding deposits or redeposits, if any.

ANALYSIS OF FIRST 50 INVOLUNTARY SEPARATION ANNUITIES AWARDED DURING OCTOBER 1947

Annuitant	Service		Age at commencing annuity		Average salary	Amount contributed to fund	Annuity awarded ¹ ×	Years of life expectancy	Total of annuity to be received under present law	Present law annuity at 62 if voluntary separation ¹	H. R. 4127 annuity at 62 if voluntary separation ¹
	Years	Months	Years	Months							
51. Otto Wagner.....	5	6	55		\$2,695.21	\$1,735.71	\$140.40	19.80 M	\$2,879.92	\$245.04	\$285.72
52. Mary V. Kilgallon.....	14	6	64		1,800.00	482.71	538.92	16.32 F	8,795.17	462.00	430.69
53. Gilbert K. Johnson.....	11	8	68		3,000.00	347.79	377.04	11.38 M	4,290.71	341.04	397.92
54. Gustave A. Almquist.....	6	2	63		2,000.00	468.78	242.76	14.36 M	3,486.03	221.04	250.36
55. Harry L. Cash.....	20	4	55	8	2,765.94	656.87	400.68	19.32 M	7,741.13	662.04	785.33
56. Van L. White.....	8	3	62		2,200.00	594.06	327.96	15.00 M	4,914.40	290.52	396.33
57. Benjamin S. Thomas.....	6	5	55		2,400.00	544.22	147.12	19.80 M	2,912.97	244.56	311.33
58. Michael J. Moloney.....	12	4	70		4,756.50	1,973.10	838.03	10.28 M	8,615.46	560.04	894.90
59. Ludwig Saal.....	22	0	67		1,800.00	699.00	879.96	11.94 M	10,506.72	717.96	930.10
60. Frank L. Mortimer.....	5	0	64		3,088.42	768.74	220.56	13.84 M	3,030.49	213.00	279.40
61. Louis Soncini.....	12	0	62		2,100.00	573.20	464.04	15.00 M	6,960.60	400.00	476.62
62. Timothy J. O'Neil.....	8	3	70		1,756.12	431.55	330.00	10.28 M	3,392.40	206.48	355.12
63. Irvin A. Shiffer.....	6	0	66		2,100.00	527.94	237.95	12.53 M	2,981.51	227.00	260.43
64. Earl G. Arnold.....	11	8	64		1,780.00	750.33	478.68	13.74 M	6,577.06	425.00	498.87
65. Harry E. Clark.....	5	1	66		2,347.00	569.31	203.28	12.53 M	2,547.09	200.52	245.68
66. Annie L. Caldwell.....	11	10	56	11	2,300.00	892.61	323.16	21.33 F	6,893.00	429.00	561.14
67. Glenn H. Shaw.....	5	0	65		1,800.00	435.64	209.04	13.13 M	2,744.69	197.00	216.95
68. Edward M. Tetreault.....	5	11	63		2,500.00	610.64	232.68	14.36 M	3,341.28	229.48	286.00
69. Charles F. Uhl.....	9	8	76		7,525.04	2,087.49	879.24	7.39 M	6,497.58	523.24	928.05
70. Joseph L. Wall.....	12	0	57	1	2,100.00	506.92	290.40	18.33 M	5,323.03	412.00	378.29
71. Ole M. Axness.....	9	10	67		2,716.69	1,011.25	393.36	11.94 M	4,696.71	389.04	513.00
72. J. C. Pendergast.....	5	7	72		2,200.00	544.48	222.48	9.26 M	2,060.16	222.48	252.60
73. Albert I. Oien.....	5	0	66		2,100.00	514.34	200.04	12.53 M	2,506.50	198.00	229.80
74. Robert A. Davis.....	5	3	62		1,755.95	426.47	278.04	15.00 M	4,170.60	261.48	233.44
75. Viggo L. Yepsen.....	5	1	63		5,548.80	1,464.54	426.00	14.36 M	6,117.36	293.52	423.08
76. John P. Rinn.....	6	0	58	8	2,000.00	487.74	187.44	17.22 M	3,227.71	231.96	272.04
77. Rufus C. Allen.....	28	3	55		2,832.34	2,264.58	683.88	19.80 M	13,540.82	1,104.56	1,516.24
78. Fred H. Mund.....	12	11	60	6	3,829.73	1,024.10	533.52	15.99 M	8,530.98	457.56	626.93
79. Eben H. Andrews.....	17	1	55		2,600.00	1,572.20	390.00	19.80 M	7,722.00	662.50	856.67
80. Winfred W. Bradbury.....	10	0	56	5	2,300.00	608.57	250.80	18.79 M	4,712.53	360.00	480.00
81. Edward W. Blood.....	6	1	57	2	2,800.00	686.20	172.80	18.27 M	3,157.05	252.48	304.85
82. Philip Willett.....	5	5	56	9	1,750.00	378.47	140.64	18.56 M	2,610.27	198.48	230.21
83. Richard J. Carter.....	5	6	60	4	2,300.00	611.05	197.28	16.10 M	3,176.20	225.00	265.88
84. Charles E. Leach.....	6	6	55		7,027.25	1,831.66	378.60	19.80 M	7,496.28	374.04	685.16
85. Alexander D. Larson.....	12	0	64		2,920.14	761.70	462.60	13.74 M	6,356.12	420.00	487.90
86. Jett H. Davidson.....	6	3	55		2,000.00	478.99	147.00	19.80 M	2,910.60	239.52	279.62
87. Charles M. Rittman.....	18	7	55		2,600.00	1,383.52	423.84	19.80 M	8,392.03	696.48	947.75
88. Charles T. Hoist.....	5	1	65		1,800.00	445.39	224.28	13.13 M	2,944.79	211.56	221.02
89. Tom D. White.....	11	7	69		1,750.00	370.36	449.28	10.82 M	4,861.20	380.52	310.60
90. William J. Dolan.....	7	4	70		1,700.00	1,866.03	293.28	10.28 M	3,014.91	264.00	308.00
91. Cyrus R. Eubanks.....	8	7	55		2,300.00	703.35	196.44	19.80 M	3,889.51	325.56	412.00
92. Alice L. Heffle.....	7	11	55	8	1,800.00	502.65	199.32	22.26 F	4,436.86	291.48	325.83
93. Claude J. Hinman.....	7	5	62		2,500.00	414.47	302.64	15.00 M	4,539.60	264.48	355.41
94. Walter M. Adams.....	13	0	60	6	3,229.54	1,517.34	526.32	15.99 M	8,415.85	512.04	732.24
95. Herbert G. Gortner.....	10	11	79		2,910.94	761.47	408.96	6.17 M	2,523.28	498.96	455.28
96. Charles A. Terry.....	16	8	64		2,831.53	721.86	574.20	13.74 M	7,889.50	559.00	640.58
97. William C. O'Hara.....	12	0	61	1	2,859.72	750.86	405.12	15.60 M	6,319.87	411.00	480.70
98. Carl A. Hanson.....	5	0	57	11	1,700.00	1,211.68	204.36	17.74 M	3,625.34	259.00	273.95
99. Roy C. Loucks.....	5	0	68		1,650.00	417.03	193.00	11.38 M	2,253.24	191.00	206.50
100. Martin Sweitzer.....	11	8	59	6	2,300.00	544.72	374.16	16.66 M	6,233.50	397.00	541.18
Total, 100 cases.....						69,394.96	32,878.83		501,607.33	35,107.95	43,007.27

¹ Annuity reduced according to outstanding deposits or redeposits, if any.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. WILLIAMS. Mr. President, I send to the desk at this time an amendment which I offer as a substitute to the Senator's amendment and ask that it be agreed to. This amendment provides that Members of Congress shall make contributions before becoming eligible to receive retirement benefits. I see no reason at all why a Member of Congress should expect a retirement benefit from the Government for services which he renders in Washington during any period in which he contributes nothing to the fund.

I ask that the amendment which I offer, making it mandatory that every Member of Congress, in order to receive the benefits of the fund, shall be required to pay contributions into it, be agreed to.

The ACTING PRESIDENT pro tempore. The Chair will advise the Senator from Delaware that the Chair has been informed that the amendment which the Senator wishes to offer at this time is not in order, for the reason that it is an amendment in the third degree to the amendment which has been offered by the Senator from Ohio, which must first be disposed of.

Mr. WILLIAMS. Would it be in order to move to substitute my amendment in place of the amendment offered by the Senator from Ohio?

The ACTING PRESIDENT pro tempore. The Chair is informed that the same objection would be applicable to the Senator's last request.

Mr. TAFT. Mr. President, I ask unanimous consent that the rule may be waived, and that the amendment of the Senator from Delaware may be offered as a substitute for the amendment to my amendment in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. If the Senator from Delaware will send to the desk his amendment to the amendment of the Senator from Ohio to his amendment in the nature of a substitute, it will be read by the clerk.

Mr. WILLIAMS. Mr. President, I send my amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Delaware to the amendment of the Senator from Ohio to his amendment in the nature of a substitute:

The CHIEF CLERK. On page 22, after the section number in line 21, it is proposed to insert "(a)."

On page 22, after the comma in line 22, insert the following: "and except as provided in this section."

On page 23, after line 3, insert a new subsection as follows:

(b) Paragraph (5) of section 3A of such act of May 29, 1930, as amended, is amended by adding at the end thereof a new sentence as follows: "In computing years of service for the purpose of this paragraph, there shall be excluded all periods of service for which no deductions have been made as provided in paragraph (2) and no deposit shall have been made as provided in section 9."

Mr. TAFT. Mr. President, I withdraw my amendment to my amendment in the nature of a substitute, in order that the Senator from Delaware may first offer his amendment to my amendment in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Without objection, the amendment of the Senator from Ohio to his own amendment in the nature of a substitute is withdrawn.

The question now is on agreeing to the amendment of the Senator from Delaware to the so-called Taft amendment in the nature of a substitute.

Mr. WILLIAMS. Mr. President, this amendment merely provides that Members of Congress shall be treated in exactly the same manner as it is proposed

that all other Government employees shall be treated under the so-called Taft substitute—for instance, employees making as little as \$1,000, or \$1,200 a year. In other words, all will pay into the fund, or else they will not participate. I ask that my amendment to the Taft amendment in the nature of a substitute be adopted.

Mr. TAFT. Mr. President, I should like to ask the Senator from Delaware a question. In the first place, is the amendment retroactive?

Mr. WILLIAMS. It is.

Mr. TAFT. That is to say, Representatives and Senators who have taken advantage of the option under which they pay nothing into the fund but simply come under the act and receive the benefit of the Government's payments for their past years of service, will have that option canceled, and hereafter they will have to make all payments for past years of service. Is that correct?

Mr. WILLIAMS. No, Mr. President. As I understand this amendment, it does not affect any Member of Congress who has retired during the past 12 months under the act as it was passed.

Mr. TAFT. But I have in mind Members who are now serving in the Congress.

Mr. WILLIAMS. It is my intention, if this amendment to the amendment in the nature of a substitute is adopted, that every Member of Congress now serving will pay into the fund in the same manner that all other Government employees are required to pay into the fund.

Mr. TAFT. I do not think the Senator from Delaware has so drafted his amendment. As I read it, I do not think it is retroactive. It seems to me that those now serving, who have already made the election, would not be affected.

Mr. WILLIAMS. I am advised that my amendment will apply to all Members of Congress who now are serving, and it will apply to all annuities which are computed after the date of the enactment of this measure.

Mr. TAFT. Mr. President, I myself feel that Representatives and Senators should be treated in exactly the same manner as other persons who have belatedly come under the Retirement Act for some particular reason. I myself believe that this amendment to the Taft amendment, in the nature of a substitute, should be rejected, and that my amendment to the Taft amendment should be adopted. If that is done, Members of Congress will be on the same basis as other Government employees.

Of course, the present congressional pension system provides that a Representative or Senator who has served for 30 years, let us say, may come into the system and may pay nothing, and yet he will receive from the Government its contribution for those 30 years. Of course, he will receive a smaller pension in that way, as compared to the pension he would receive if he made the back payments on his part for the 30-year period.

As I have said before, when a pension fund is established and when someone who has not been subject to it and could not be subject to it and had no right to

come into it is brought under it by law or in some other way, it seems to me to be a perfectly sound principle that he shall not have to make up all those back payments which he would have made if he had been a member of the fund. If he has had that length of service, it seems to me that the Government should be willing to contribute the same amount that it would contribute if he did make the back payments. In that way there will be no special advantage to him, except that he will be spared the very difficult job of making all past payments or deposits.

Mr. WILLIAMS. Mr. President, prior to the adoption of the retirement system for Members of Congress, there were no deductions, and they were not proposed. But when the bill was passed and went into effect, I could not find in the RECORD anything to show that any Member of Congress objected to having the Government make its portion of the payments for his past years of service.

The bill as now before us for discussion provides that every civilian employee of the Government shall make back payments into the fund. So I do not see why we Members of Congress should consider ourselves privileged officials to the extent that we do not have to pay for all retirement benefits we receive.

Mr. TAFT. Mr. President, I fully agree with the Senator from Delaware that Members of Congress should have no advantage over anyone else in Government service, and that is one reason why I presented my amendment, because apparently we were taking away from the ordinary civil-service employees the rights they had had, and which we had given to Members of Congress last year or the year before. I thought we should restore that right.

I see no reason why the Government, in setting up the pension system, should not assume a liability for all the years of service on the part of such a Government employee, regardless of whether he has made payments. Of course, if he has made the payments, he will receive a larger pension or annuity. If he has not made payments, under the amendment he would receive from the Government the same amount of Government contribution that he would have received if he had made payments on his own part and, to match them, had received payments by the Government on its part.

If we recognize the principle of having salaries based on the number of years of service, I do not see why we should not recognize that same principle as applied to pensions based on the number of years of service, regardless of whether the employee has made payments on his own part, at least insofar as payments by the Government are concerned.

So I think the amendment offered by the Senator from Delaware to the Taft substitute should be rejected, and that my amendment to my substitute should be adopted. Then all Government employees will be treated on the same basis.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Delaware to the Taft amendment in the nature of a substitute.

Mr. CAIN. Mr. President, as I understood the reading of the amendment of the Senator from Delaware, it would serve the purpose of seeing to it that as of the present and in the future no person shall draw any retirement annuity benefits from the Government unless he has contributed his proportionate share of those benefits.

Mr. TAFT. Unless such Government employees had contributed for all their years of service, beginning with the date of the original employment, thus picking up payments which they could not have made prior thereto, during many years of service with the Government.

Mr. CAIN. That is not my interpretation of the intention of the amendment of the Senator from Delaware. I think we must clear up that point before we shall be able to know precisely what the amendment is intended to achieve. I should like to ask that question of the Senator from Delaware.

Mr. WILLIAMS. It is the purpose of my amendment to the Taft substitute to provide that any Member of Congress who in the future goes on retirement must first have paid into the retirement fund his deductions for all years which he wishes to have included in calculating the amount of his pension. In other words, if a Member of Congress served for 6 years in the Congress and during that time made payments into the fund, and if thereafter he served six other years for which he did not make payments into the fund, he would have to make his payments for the 6 years for which he had not made payments, or else he would not be able to receive credit under the retirement or pension fund, except for those years for which contributions had been made.

In other words, in my own case, if I served 6 years as a Senator and during that time did not make payments into the retirement fund, I would receive nothing. On the other hand, after serving those 6 years and making no payments, I perhaps could get a job in a Senator's office and could serve the Government in that way over a brief period of time, and during that time could make a few payments, and thus I would receive a pension for the rest of my life.

Mr. TAFT. Mr. President, I am not able to say whether the Senator from Delaware is accurate in that statement or not. But certainly I would not object to a provision that if a man had been able to make such payments, but elected not to join the fund, he could not later join the fund, even in some other capacity. To such a provision I would be entirely agreeable. But if that person had been in a position in which he was not eligible to join the fund, and under which he had no way of joining the fund, then it seems to me the principle I am advocating should apply. I had rather understood that was the objection at the present time.

Mr. WILLIAMS. As I understand the present law, every time a man accepts a new job with the Government, he is eligible to come under the retirement fund. In the legislative branch, if he does elect to go under the retirement system at that time, he is credited with all the years of his prior service with

the Government, regardless of whether he made contributions to the fund during those years, although if he has not made such contributions he will be paid a pension under a reduced formula.

But I say that no one is entitled to a pension unless he has paid for it. If I come to the Congress and serve for a certain period of time and do not make payments to the retirement fund, certainly I am not thereafter entitled to receive a pension based on such service when I attain the age of 62. That is particularly true when it is proposed in the bill now before us to grant that exemption to Members of Congress only and not to extend it to the rest of the people. What will be done later on the Senator's amendment is a matter to be discussed, but the bill as now before the Senate proposes that everybody in the Government service except Members of Congress shall pay into the fund. I ask that my amendment be adopted.

Mr. TAFT. Mr. President, payment of this deduction on the part of employees is not optional except in the legislative branch. In other words, the question does not really arise, except that the Senator has pointed out one possible loophole. It is apparently true that if somebody in the legislative service who has the right to elect to go in or not to go in, a right not shared by others, should elect not to go in, then if he obtains a job in the civil service he apparently may, as the Senator points out, pay nothing in, pick up his past years' service, and go on with the pension. I should be perfectly willing to modify the bill to provide that anyone who has had the optional right to pay in or not to pay in, and who chooses not to go in, shall not thereafter have the right to go in, if he becomes an administrative employee. I think some such an amendment as that might be appropriate, but I think the general principle that a man who has not been able to pay because the law did not permit him to pay, should not be required to go back and pay at a future time in order to take advantage of the Government's share of his pension.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I differ with the Senator from Ohio to this extent: In my opinion, the Government has no obligation to Members of Congress dating back prior to the enactment of the retirement legislation, as incorporated in the Reorganization Act. That act provides that the Government give credit for the number of years which a Member of Congress has served, and pay into the fund the Government's share without requiring that Congressman pay anything for those years antedating the act. I say this is inequitable and unfair to the other employees who are denied this advantage under the present proposal. I do not see why any man should stand up and argue for the right to participate in a retirement fund toward which he has made no contribution. I therefore ask that my amendment, which corrects this inequity, be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Delaware.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. WILLIAMS. Mr. President, may we have a division?

On a division, the amendment to the amendment was rejected.

Mr. TAFT. Mr. President, I want to modify my amendment before I offer it again, and if there are other amendments to be offered, I would suggest that they be submitted, and that we then proceed with this amendment.

Mr. HOLLAND. Mr. President, will the Senator from Ohio yield for a question at this point?

Mr. TAFT. I yield.

Mr. HOLLAND. When the able Senator was discussing the features of his substitute bill, I was called from the Chamber. I was not present when he discussed the details of his substitute bill which have to do with present annuitants; that is, former Federal employees who have already been retired. I should like to get from the Senator, if I may, information with respect to provisions of the so-called Langer-Chavez bill, which allowed an increase, in the event of the enactment of that bill, of \$300 a year to each of the present annuitants, and also additional privileges to the widows of present annuitants and to dependents, whether those provisions are altered or changed by the substitute bill offered by the Senator from Ohio.

Mr. LANGER. If I may answer the question, I will say to the distinguished Senator from Florida that they are all included in the substitute bill.

Mr. HOLLAND. Are the provisions of the substitute bill on this point identical with the provisions of the Langer-Chavez bill?

Mr. LANGER. Yes. As a matter of fact, they are more liberal, because the widow gets in at age 50 instead of 60.

Mr. HOLLAND. I am glad to hear that. I appreciate the information.

The PRESIDENT pro tempore. Are there any further amendments to the Taft substitute?

Mr. TAFT. Mr. President, I should like to take some time to amend the amendment along the lines suggested to the Senator from Delaware, before I offer it again.

The PRESIDENT pro tempore. The Chair has asked for other amendments. None seem to be available.

Mr. WHERRY. Mr. President, I ask that the Senate take a recess, subject to the call of the Chair.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska? The Chair hears none.

Thereupon (at 2 o'clock and 6 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2 o'clock and 12 minutes p. m., when called to order by the President pro tempore.

Mr. TAFT. Mr. President, I offer an amendment which is based on the amendment I offered previously. My amendment is on page 11, line 15, to strike out the word "may" and insert in lieu thereof "shall," and on page 12, beginning with the word "Unless" in line 10, strike out through the word "involved" in line 12, and insert in lieu thereof, "notwithstanding the failure of an officer or employee (other than an officer or employee who had an opportunity to elect to come within the provisions of this act and who failed to exercise such election) to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to the amount of annuity such deposit would purchase if made, unless the officer or employee shall elect to eliminate such service entirely from credit under this act."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Ohio [Mr. TAFT] to the amendment in the nature of a substitute to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The substitute amendment offered by the Senator from Ohio is open to further amendment.

Mr. COOPER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 17, line 12, it is proposed to strike out the word "five" and insert in lieu thereof the word "two."

Mr. COOPER. Mr. President, I discussed this matter awhile ago with the Senator from Ohio. The purpose is simply to change that portion of the section defining a "widow," which reads, "a surviving wife of an individual, who * * * shall have been married to such individual for at least 5 years immediately preceding his death," to make it, "2 years immediately preceding his death," so as to read, "a surviving wife of an individual who shall have been married to such individual for at least 2 years immediately preceding his death."

I believe that with this change protection is maintained against abuses which the author fears, and at the same time the benefits of survivorship will be made available to a large class of widows who deserve benefits, and whom the husband would want to protect.

Mr. TAFT. Recognizing the typical courtesy of all Senators from Kentucky, I am glad to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky to the amendment in the nature of a substitute offered by the Senator from Ohio.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. Are there further amendments to be proposed to the substitute amendment offered by the Senator from Ohio?

Mr. WILLIAMS. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 11, lines 7 and 8, it is proposed to strike out the words "as if this act had not been enacted", and insert in lieu thereof the words "as though this act had been in effect on the date of such separation."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Delaware to the amendment in the nature of a substitute.

Mr. WILLIAMS. Mr. President, the amendment merely provides that in the cases of all of those who are now out of Government service, or have an accumulated equity in the retirement fund, such equity will be figured from the formula of the new act and not from the formula of the old act.

Mr. TAFT. Mr. President, will the Senator again please explain the purpose of the amendment?

Mr. WILLIAMS. The bill as it now reads states that—

In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to effective date of this act, and have acquired title to annuity under section 7 of the act of May 29, 1930, as amended, beginning after such effective date, such annuity shall be computed as if this act had not been enacted.

What I am proposing to do is to say that in the case of those persons who had an equity under section 7, as the act now stands, their annuity must be computed under the new formula. That merely removes from those who have been separated from the service on an involuntary basis the privilege of being granted a 25-percent approximate increase to their pension due to the fact that they were involuntarily severed. I might say that there are 75,800 such annuitants who are now waiting, who left the service last year, and according to the Civil Service Commission they were eligible to receive an annuity under section 7 of the old act upon reaching retirement age. I merely propose under this amendment that those annuities shall be computed under the new formula.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Delaware to the amendment in the nature of a substitute.

Mr. TAFT. Mr. President, I am not perfectly certain of the effect of the amendment, but I am willing to have it placed in the bill and be taken to conference with the House conferees and there worked out.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. Are there further amendments to be presented to the substitute amendment?

Mr. BYRD. Mr. President, I call attention to the fact that there are 16 different pension systems in the Federal Government, and I express the hope that

the Post Office and Civil Service Committee will conduct an investigation with respect to that situation and make a recommendation to the Congress. I will name the 16 retirement systems. They are as follows:

First. Civil-service retirement; Panama Railroad retirement.

Second. Canal Zone retirement.

Third. Alaska Railroad retirement.

Fourth. Foreign Service retirement.

Fifth. Federal Reserve retirement.

Sixth. Tennessee Valley Authority retirement.

Seventh. Comptroller of the Currency retirement.

Eighth. Civilian Teachers at Naval Academy.

Ninth. District of Columbia teachers.

Tenth. District of Columbia policemen and firemen.

Eleventh. Federal judiciary.

Twelfth. Judiciary of Federal Territories and possessions.

Thirteenth. Construction period workers, Panama Canal.

Fourteenth. Canal Zone employees, disabled.

Fifteenth. District of Columbia judges.

Sixteenth. Panama Railroad, disabled.

It seems to me that some study should be made so as to consolidate, if possible, the various retirement systems into the regular system.

Mr. LANGER. Mr. President, I might say to the distinguished Senator from Virginia that at the beginning of the drafting of the bill we did consider that subject, but the railroad men did not wish to come in. The result is we did not investigate any other systems, but decided to complete the bill. I can assure the Senator from Virginia that a full and complete investigation of the subject will be made at the present session of Congress.

Mr. BYRD. I thank the Senator from North Dakota.

Mr. LANGER. I am delighted that the Senator from Virginia has called the attention of the Senate and the country to the situation.

The PRESIDENT pro tempore. Are there any further amendments to be offered to the substitute amendment?

Mr. WILLIAMS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 10, after the colon in line 19, it is proposed to insert the following: "Provided, That no such increase shall (1) exceed an amount which, when added to the present annuity of any such officer or employee, exceeds the amount of annuity which such officer or employee would have received had the provisions of this act been in effect at the date of his retirement, or (2) be payable in any case in which the present annuity of any such officer or employee exceeds the amount of annuity which such officer or employee would have received had such provisions been in effect on such date."

Mr. WILLIAMS. Mr. President, this amendment merely proposes that any annuitant who is now on the rolls will

not be eligible for an increase if such increase brings his pension over and above that which would be allowed under the proposed act. It was recognized by some that there are bound to be inequities in the change-over under the new bill. The amendment merely irons out those inequities as they arise. In other words, a man who now receives an annuity will not be eligible except for that portion of the increase which would bring him up to the amount allowed under the new act.

Mr. TAFT. Mr. President, I do not think the amendment is necessary, but I am perfectly willing to have it inserted in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment in the nature of a substitute.

The amendment to the amendment was agreed to.

Mr. WILLIAMS. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert a new section as follows:

SEC. —. (a) There is hereby created a joint committee to be composed of (1) three Members of the Senate, one from the Committee on Post Office and Civil Service, one from the Committee on Finance, and one from the Committee on Appropriations, to be appointed by the President of the Senate, and (2) three Members of the House of Representatives, one from the Committee on Post Office and Civil Service, one from the Committee on Ways and Means, and one from the Committee on Appropriations, to be appointed by the Speaker of the House of Representatives.

(b) It shall be the duty of the joint committee to make a full and complete study of all retirement systems applicable to officers and employees of the United States (including military and naval personnel), with a view to ascertaining the extent to which such systems should be revised or combined, and to report to the Senate and the House of Representatives at the earliest practicable date the results of such study, together with its recommendations.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

(e) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical

cal and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

Mr. TAFT. Mr. President, the amendment speaks for itself. I think the general spirit of the La Follette-Monroney Act was not to set up any more committees than were provided for by that act, and that if any committees were to be proposed the proposal should come to the Committee on Rules and Administration. Special committees have been provided for, and the procedure is to submit the matter to the Committee on Rules and Administration. The amendment makes a proposal for the establishment of a joint committee. The proposal has not gone to the Committee on Rules and Administration. It has never been submitted to the Post Office and Civil Service Committee. I should hesitate very much to set up on top of our existing committee structure another joint committee. It is true that probably a study of the matter involved should be made. The funds in question are quite numerous. However altogether the whole 12 funds, I understand, cover only about 1½ percent of the employees, and the 98½ percent are under the general system we have been considering. It seems to me it is unnecessary to set up a new joint committee with a new joint staff, which would be expensive, and particularly without adequate consideration by the Committee on Rules and Administration or by any standing committee of the Senate.

Mr. WILLIAMS. Mr. President, generally speaking I would agree with the Senator from Ohio as to the objections to setting up a special committee, because I think it is true that perhaps many of these conditions could be worked out in the regular Senate committees and committees of the House. But the truth of the matter is that that has not been done. We have before us here a major change in the retirement legislation. We are trying to work it out on the floor when it should have been worked out in the committees. In order to show how this retirement legislation has been worked out in committees, and why there has been so much confusion regarding the cost of the particular provision in question, I wish to read from a letter which I hold in my hand.

This letter is dated March 13, 1947, signed by Mr. R. R. Reagh, the Government actuary of the Treasury Department, addressed to Mr. Riley, staff director of the Senate Committee on Post Office and Civil Service. In this letter Mr. Reagh points out a possible \$200,000,000 cost for Senate bill 637.

Again, on May 9, 1947, in a letter from Mr. Arthur S. Flemming, Acting President of the Civil Service Commission, addressed to the Chairman of the Post Office and Civil Service Committee, he estimated the cost as being negligible. I quote from the letter:

The committee will appreciate, I am sure, that there is no current precise statistical

data upon which to base a firm estimate of cost under this or any other proposal with regard to retirement; but with the facts available to us it is our judgment that the liberalized provisions are balanced by modifications elsewhere in the bill, plus, of course, increased contributions of 1 percent made by the Federal employees.

In other words, it was his opinion on May 9, 1947, that there would be no appreciable cost. The same error was repeated in the committee report.

Five days later, on May 14, 1947, a letter was written, signed by George Buck, the same Mr. Reagh and Mr. Edward Thacker, who were consulting actuaries for the Civil Service Commission. In this letter they stated that the cost would be \$109,000,000. That was 5 days after the statement that the bill would not cost anything.

We ran into a little trouble on the question of the cost of the bill before the Senate. For that reason I objected to it and insisted upon realistic estimates before any further action. A month later, on June 9, 1947, there was another letter, written by one Harry B. Mitchell, President of the Civil Service Commission, addressed to the Senator from North Dakota [Mr. LANGER], in which the cost of the same retirement bill was estimated at \$39,160,000.

On July 22, 1947, I asked the Bureau of the Budget if it could not straighten us out as to the cost of the bill. I have a letter signed by Mr. James E. Webb, Director of the Bureau of the Budget. This time he agreed with the actuaries that the cost of the bill would be \$39,160,000. Those are the only two letters that agree.

Two days later, on July 24, 1947, I received another letter from the Civil Service Commission. Apparently in order to get the bill through the last session of Congress the estimate had been revised down to \$15,000,000. Bear in mind that in the meantime no amendment to the bill had been submitted which could account for these discrepancies.

On January 16, of this year, in connection with the same bill, the Civil Service Commission made another estimate. This time its estimate was \$84,000,000.

We are endeavoring on the floor of the Senate to pass a piece of legislation which the Senator from Ohio now says is supposed to cost us about \$42,000,000, yet at the same time we are told that the cost of this bill is \$60,000,000 cheaper than the cost of the bill which the Senate Post Office and Civil Service Committee had been claiming would not cost anything.

I think it is time for some committee to go to work on retirement legislation. It has been pointed out by the Senator from Virginia that we have 16 different retirement systems in the Federal Government. They are administered by 11 different agencies. I have a copy of every one of these retirement systems. We have some retirement systems with a complete organization to administer the affairs of as few as 175 Government employees. It is costing more to administer some of the funds than the annuitants are receiving from them. I think it is time for Congress to make a study of

the problem. Such a study has not been made in our committee. We have been too much concerned with getting a piece of legislation which will not cost anything and at the same time materially increase present benefits.

I have reviewed most of the retirement legislation for the past 14 years, and I have yet to find a single piece of legislation which has been passed with respect to which it was stated that it would cost any appreciable amount. Notwithstanding that fact, on various occasions we have doubled and trebled the obligations of the Government. In 1945 we passed retirement benefits for Members of Congress. At that time it was stated that the system would not cost the Government any money; yet every Member of Congress in computing his pension, was given benefits for all the years he served in Congress. It was not going to cost the Government anything; and at the same time it was stated that a Member of Congress did not need to pay anything back.

Mr. President, I urge that my amendment be agreed to, and that a special committee be established to study the various retirement systems, perhaps with the thought of consolidating them into one system, to insure uniformity, to insure economy in administration, and to remove the remaining inequities not removed by the bill now under consideration. To do this the joint committee would secure experts on insurance and retirement from outside sources.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] to the Taft amendment in the nature of a substitute.

Mr. LANGER. Mr. President, I think it is due the Civil Service Commission and the United States Senate that I should make the statement that the Civil Service Commission has cooperated wholeheartedly with our committee. Time and time again Mr. Irons gave us estimates of cost. Over a period of several months we asked for various estimates. We asked for estimates based upon one and a half million employees, two million employees, and two and a half million employees. We asked for estimates based upon a retirement fund of 1 percent, 1½ percent, 1¾ percent, and 2 percent. So far as I know, all the letters which were received by our committee were honest expressions of the Civil Service Commission, and I wish to say publicly that I think the Commission is doing a fine job.

Mr. TAFT. Mr. President, I wish to point out one further reason why I think we should not create more joint committees than we already have. There are no rooms left in which any new committee could find space to live. We have reached the point where I do not believe we should create any new committees unless we abolish some of the old ones. Unless there is some very strong reason for it, I do not believe that we should create new committees.

Furthermore, this is largely a technical actuarial subject. If such a study as has been suggested is to be made, it ought to be made in the first instance by the executive department of the Gov-

ernment. If the Senator from Delaware will introduce a measure directing some existing Government bureau to make the study, or establishing some agency to do it, such a proposal might be proper. If he does not like the Civil Service Commission, he might propose that the Bureau of the Budget or some other agency make this study. Such a study would seem to me to be more within the scope of the ability of the executive department than that of Congress. However, I believe that we ought not to create another joint committee at this time.

Mr. WILLIAMS. Mr. President, I certainly will not sponsor a resolution creating another Government bureau.

A further example of the inefficient and biased advice we have received from the Civil Service Commission on all these proposals is revealed in the discussion to eliminate the so-called tontine payment, which is a deduction of \$1 a month from the salary of all Government employees. All the testimony which was given before our committee by officials of the Commission was to the effect that its cancellation would not cost anything. This is another example of misleading testimony inexcusable in any competent Government official.

I read from a letter signed by Mr. Arthur S. Flemming, a member of the Civil Service Commission, under date of May 9. The letter is addressed to the chairman of the Senate Civil Service Committee, and in it Mr. Flemming states:

This charge of \$1 per month levied against each Federal employee has been an administrative problem ever since its inception. It is grossly unfair, in that the \$1 per month is charged against the account of the low-salaried employee as well as the high-salaried employee. When full account is taken of the administrative handling charges, there is actually little net gain in income to the fund. Administration of the act by the agencies and by the Commission will be greatly simplified by the elimination of the tontine.

All the testimony which was given before the committee—and I think the chairman of the committee will agree with me—was to the effect that the elimination of the \$1 a month so-called tontine charge would not change the cost of the bill, yet in another letter dated July 13, 1947, signed by Harry B. Mitchell, President of the Civil Service Commission—

I was advised that the income from this tontine charge during the last year (1946) was \$16,809,186.30.

Yet, Arthur Flemming, his associate member, says that it is a negligible amount, and that we can eliminate a \$16,000,000 income without making any appreciable difference in the cost of the bill. My argument is that if we reduce that income, we must increase the appropriations to offset it. I agree that it would be much better and simpler to eliminate that charge and figure it in the percentage cost. I am not opposing the elimination of the tontine charge, but I do say that we should squarely recognize the cost. Yet prior to this letter representatives of the Civil Service Commission appeared before our committee, and

the testimony was to the effect that such a provision would not cost anything.

The net income for the past 12 years has been more than \$47,000,000. I have very little respect for the advice of any official in the Civil Service Commission who regards \$47,000,000 as a negligible amount.

The Senator from North Dakota [Mr. LANGER] has spoken of the cooperation of Mr. Irons, the Chief of the Civil Service Commission retirement fund. Notwithstanding the fact that Mr. Irons appeared before our committee and testified that the bill would cost nothing, during the summer months he has been campaigning all over the country for this piece of legislation, a fact which I think should be called to the attention of the Department of Justice. I wish to read a part of one of his speeches. In speaking before a group on this retirement bill Mr. Irons said:

It is not the most generous survivorship program that can be reasonably designed, but the important thing, I think, is to get that principle across in legislation, to get it a firm part of the Retirement Act. There are other years coming. There will be more generous Congresses in the future.

Apparently he is going to help see to it that more liberal-minded men come to Congress. It appears to me that it is a violation of law for any official of any Government executive agency to go about the country lobbying for a piece of legislation. That is particularly true when he has appeared before the committee and has given false testimony on the bill.

I think it is time to establish a special committee to study this subject.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Delaware to the amendment in the nature of a substitute offered by the Senator from Ohio.

Mr. CHAVEZ. Mr. President, I should like to make one point clear. The bill is simple in its application and purpose. There are only two things involved in the entire picture.

Of necessity the bill had to be a technical bill; but the only two things involved are, first, whether we are willing to allow the Government employee, when he retires, to receive an extra \$300 a year. That is a simple question.

The next point, which deals with a liberalization of the old law, is whether a widow should be allowed to collect what the husband, when he was an annuitant, would receive, and whether the dependent children would be involved.

The rest of the provisions relate to what class of employees will receive the benefits of the bill. They are technical provisions. Those are the principal things involved.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Delaware [Mr. WILLIAMS].

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute sub-

mitted by the Senator from Ohio [Mr. TAFT].

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDENT pro tempore. If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill coming from the House of Representatives, which will be stated by title.

The CHIEF CLERK. A bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended.

Mr. WHERRY. Mr. President, I move that the Senate proceed to consider the House bill.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. WHERRY. I move to strike out all after the enacting clause of the bill, and in lieu thereof to insert the text of Senate bill 637, as amended.

The motion was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 4127 was read the third time, and passed.

Mr. WHERRY. I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. LANGER, Mr. BALDWIN, Mr. TAFT, Mr. CHAVEZ, and Mr. JOHNSTON of South Carolina conferees on the part of the Senate.

The PRESIDENT pro tempore. Without objection, Senate bill 637 is postponed indefinitely.

Mr. WHERRY. Mr. President, I ask unanimous consent that House bill 4127 be printed, showing the Senate amendment.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

BOARD OF VISITORS TO UNITED STATES NAVAL ACADEMY

The PRESIDENT pro tempore. Under the statute it is necessary to name four Members of the Senate to the Board of Visitors of the United States Naval Academy. On the recommendation of the chairman of the Committee on Armed Services, the Chair appoints the Senator from Wyoming [Mr. ROBERTSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Virginia [Mr. BYRD].

THE ST. LAWRENCE SEAWAY

Mr. WHERRY. Mr. President, I ask unanimous consent that after the calendar is called on Monday next, Calendar

No. 862, Senate Joint Resolution 111, approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin, be made the unfinished business.

The PRESIDENT pro tempore. Without objection, the order is made.

CONTROL OF WEAPONS OF MASS DESTRUCTION

Mr. McMAHON. Mr. President, I quote very briefly from an Associated Press story appearing in the last edition of the Washington Star under today's date:

LONDON, January 23.—Winston Churchill declared today western Europe must unite quickly and demand a showdown with the Soviet Union before the Russians develop atomic weapons, possibly in a year or so.

"Even an early showdown would not guarantee that war would not come," Churchill said, but:

"I believe it would give the best chance of preventing it and, if it came, we would have the best chance of coming out of it alive.

"I believe the best chance of preventing war is to bring matters to a head and come to a settlement with the Soviet Government before it is too late," Mr. Churchill told the House of Commons.

"You may be sure the present situation cannot last. There are very grave dangers in letting everything run on and pile up until something happens and the matter passes all of a sudden out of your control."

Mr. President, I read these words with a deep sense of conviction that the former Prime Minister of Great Britain spoke words of prophecy when he made the statement which I have quoted.

Last May I addressed the Senate and pointed out, in connection with the problem of the peace, the importance of the control of weapons of mass destruction, and that unless and until complete and effective control of weapons of mass production was accomplished we were attacking the effects of the tragic situation in the world today and not the causes thereof.

I shall support aid for the stricken countries of Europe, but when I do so I shall be under no illusion that, successful though the program may be, we shall have accomplished the laying of a safe foundation of a peaceful society and a peaceful world as long as an atomic armament race is being engaged in by the two great powers of the earth.

I went on to point out last May, as the former Prime Minister of Great Britain points it out today, that unless we successfully conclude an arrangement for the control of weapons of mass destruction we are facing and proceeding straight to World War III. If, in engaging upon the Marshall program, so called, we are under any illusion that we are doing anything else except taking an important step toward the accomplishment of peace, and not striking at the hub of the matter, we shall be in error.

At a future time and on a future occasion I shall address the Senate on what I believe is necessary for the supplementation of the Marshall program, but I think it is well for the Senate and for the country and the Congress to have in mind now the basic fact which cannot be too much emphasized, that as long as this

arms race proceeds, anything else we do to bring about the peace is preliminary.

EXECUTIVE SESSION

Mr. WHERRY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. BUCK, from the Committee on the District of Columbia:

Guy Mason, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. GURNEY. I ask that the nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. GURNEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy are confirmed en bloc.

THE AIR FORCE

The legislative clerk proceeded to read sundry nominations in the Air Force.

Mr. GURNEY. I ask that the nominations in the Air Force be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. GURNEY. I ask that the nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Marine Corps are confirmed en bloc.

Mr. GURNEY. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. The President will be notified forthwith.

Mr. GURNEY. Mr. President, I should like to direct a question to the senior Senator from Ohio. Our committee has been importuned to secure as rapid action as is possible on two small bills. I believe I previously notified the Senator

of our interest in them. I understand the St. Lawrence seaway matter is going to be considered next week, and I wondered what chance there would be for consideration on Monday.

Mr. TAFT. I have no particular feeling about it. I think perhaps we ought to have a little notice, however, that the bills are coming up. That is my only reservation.

Mr. GURNEY. Then at this time I wish to mention the two bills which I should like to have called up on Monday. The first is the procurement bill. The other one would modify the provisions of the Vinson-Trammell Act in regard to the purchase of materials for the Navy and the Air Force.

Mr. WHERRY. Mr. President, prior to the suggestion made just now by the Senator from South Dakota, the St. Lawrence seaway joint resolution was made the unfinished business for Monday. Of course, the Senator from South Dakota has a perfect right to move that these other bills be brought up first on Monday, temporarily displacing the St. Lawrence seaway measure. But since the chairman of the Judiciary Committee is not in the Chamber at this time, I wonder whether the Senator from South Dakota will withhold his request until Monday.

Mr. GURNEY. I do not believe it is necessary to make a formal request in regard to these bills, but I simply give notice of a desire to have them taken up for consideration as soon as possible. They are Calendar No. 597 and Calendar No. 657.

Mr. AIKEN. Mr. President, a week ago I asked to have the procurement bill passed over, during the call of the calendar, because other departments of the Government, particularly the Treasury procurement service, felt they should have the right to make purchases in emergency conditions in the same way that the armed services might have. However, I understand that the Comptroller General objects to having the procurement service given that right, and really is not enthusiastic about having the armed services given it.

In view of that situation, and inasmuch as I am not able to spend the necessary time in endeavoring to work out amendments and have them adopted, or possibly rejected, I shall not object to having the procurement bill acted upon at any time the Senate sees fit to take action upon it.

Mr. TAFT. Mr. President, I suggest that possibly the St. Lawrence seaway legislation will not consume all Monday afternoon; so probably after the termination of the consideration of that legislation on Monday, there will be an hour or so during which it will be possible to consider the two bills mentioned by the Senator from South Dakota.

Also there is another bill, I believe.

Mr. WHERRY. Mr. President, I would prefer not to have other bills brought into the picture at this time, until we determine what we shall do in regard to the St. Lawrence seaway measure. I submit that the proper time to bring up other bills will be on Monday afternoon, after we begin to consider

80TH CONGRESS
2D SESSION

H. R. 4127

IN THE SENATE OF THE UNITED STATES

JANUARY 23 (legislative day, JANUARY 21), 1948

Ordered to be printed with the amendment of the Senate

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 of the Civil Service Retirement Act of May
4 29, 1930, as amended, is amended to read as follows:

5 SEC. 4. (a) Any officer or employee to whom this
6 Act applies who shall have attained or shall hereafter attain
7 the age of sixty years and have rendered at least thirty years
8 of service computed as prescribed in section 5 of this Act,
9 or who shall have attained or shall hereafter attain the age
10 of sixty-two years and have rendered at least fifteen years
11 of such service, shall, upon separation from the service, be

1 paid an annuity computed as provided in section 4 of this
2 Act.

3 “(b) Any officer or employee to whom this Act applies
4 who shall have attained or shall hereafter attain the age of
5 fifty-five years and have rendered at least thirty years of
6 service computed as prescribed in section 5 of this Act shall,
7 upon separation from the service, be paid an annuity com-
8 puted as provided in section 4 of this Act, reduced by one-half
9 of 1 per centum for each full month such officer or employee
10 is under the age of sixty years.

11 “(c) Any officer or employee to whom this Act applies;
12 after having rendered at least twenty-five years of service
13 computed as prescribed in section 5 of this Act, (1) upon
14 involuntary separation from the service not by removal for
15 cause on charges of misconduct or delinquency, or (2) upon
16 voluntary separation from the service if such officer or em-
17 ployee had accepted a position with a lower rate of basic
18 salary, pay, or compensation after having been so involun-
19 tarily separated from a position with a higher rate of basic
20 salary, pay, or compensation, and was receiving less than
21 such higher rate at the time of his voluntary separation, shall
22 be paid an immediate life annuity computed as provided in
23 section 4 of this Act reduced by one-fourth of 1 per centum
24 for each full month such officer or employee is under the age

1 of sixty years. This subsection shall become effective July 1,
2 1947."

3 SEC. 2. Section 2 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 2. (a) Except as provided in section 204 of
6 the Act of June 30, 1932 (47 Stat. 404), and section 3
7 of the Act of July 13, 1937 (50 Stat. 512), any officer
8 or employee to whom this Act applies who shall have com-
9 pleted fifteen years of service computed as provided in section
10 5 of this Act shall, on the last day of the month in which
11 he attains the age of seventy years, or completes fifteen years
12 of service if then beyond such age, be automatically separated
13 from the service, and all salary, pay, or compensation shall
14 cease from that date, and the head of each department,
15 branch, or independent office of the Government concerned
16 shall notify each such employee under his direction of the
17 date of his separation from the service at least sixty days
18 in advance thereof: *Provided*, That should the head of the
19 department, branch, or independent office fail, through error,
20 to give timely notification, the employee's separation from
21 the service shall not be effected without his consent until
22 the expiration of said sixty-day period. Upon such separa-
23 tion, the officer or employee shall be eligible for retirement
24 on annuity as provided in section 4 hereof.

1 “(b) No person who is receiving an annuity under the
 2 provisions of this Act and who has reached the age of sixty
 3 years shall be eligible again to appointment to any appointive
 4 office, position, or employment under the Government of
 5 the United States or of the District of Columbia, unless
 6 the appointing authority determines that he is possessed of
 7 special qualifications: *Provided*, That no deductions for the
 8 retirement fund shall be withheld from the salary, pay, or
 9 compensation of such person, but there shall be deducted
 10 from his salary, pay, or compensation otherwise payable a
 11 sum equal to the retirement annuity allocable to the period
 12 of actual employment: *Provided further*, That the annuity
 13 in such case shall not be redetermined upon such person's
 14 subsequent separation from the service.”

15 SEC. 3. (a) Paragraph (6) of section 3A of the Act of
 16 May 29, 1930, as amended, is amended to read as follows:

17 “(6) (a) In the case of a Member of Congress who
 18 becomes separated from the service before he completes an
 19 aggregate of six years of service as a Member of Congress,
 20 and who is not retired for disability, the total amount de-
 21 ducted from his basic salary, pay, or compensation or de-
 22 posited by him as a Member of Congress shall be returned
 23 to such Member of Congress together with interest at 4 per
 24 centum per annum to December 31, 1947, and at 3 per
 25 centum per annum thereafter compounded on December 31

1 of each year, to date of separation. No such Member of
2 Congress shall thereafter become eligible to receive an
3 annuity as provided in this section unless the amounts so
4 returned are redeposited with interest at 4 per centum com-
5 pounded on December 31 of each year, but interest shall
6 not be required covering any period of separation from the
7 service.

8 “(b) In case a Member of Congress shall die prior to
9 retirement the total sums deducted from his basic salary,
10 pay, or compensation or deposited by him, together with
11 interest at 4 per centum per annum to December 31, 1947,
12 and at 3 per centum per annum thereafter, compounded on
13 December 31 of each year to date of death shall be paid,
14 upon the establishment of a valid claim therefor, in the
15 order of precedence prescribed in section 12.

16 “(c) In case a former Member of Congress receiving
17 an annuity under this section shall die without having re-
18 ceived in purchasable annuities an amount equal to the total
19 sums deducted from his basic salary, pay, or compensation
20 or deposited by him, together with interest at 4 per centum
21 per annum to December 31, 1947, and at 3 per centum per
22 annum thereafter, compounded on December 31 of each
23 year to date of retirement, the difference and/or any accrued
24 annuity due shall be paid, upon the establishment of a valid

1 claim therefor, in the order of precedence prescribed in
2 section 12.”

3 ~~(b)~~ Except as provided in this section the amendments
4 made by this Act shall not apply to any person subject to
5 the provisions of section 3A of the Act of May 29, 1930, as
6 amended, and the rights and obligations of such person under
7 such Act shall continue as though this Act had not been
8 enacted.

9 ~~(c)~~ Section 3 ~~(a)~~ of the Act of May 29, 1930, as
10 amended, is amended by adding at the end thereof the
11 following:

12 “Notwithstanding any other provision of this Act, any
13 officer or employee in the legislative branch of the Govern-
14 ment within the classes of officers or employees which were
15 made eligible for the benefits of this Act by the Act of July
16 13, 1937, serving in such position on the effective date of
17 this Act, may give notice of his desire to come within the
18 purview of this Act at any time prior to July 1, 1948.”

19 SEC. 4. Section 4 of the Act of May 29, 1930, as
20 amended, is amended to read as follows:

21 “SEC. 4. ~~(a)~~ The annuity of an officer or employee
22 retired under this Act shall be a life annuity, terminable
23 upon the death of the annuitant and shall be an amount
24 equal to the following: ~~(1)~~ 1½ per centum of the average
25 annual basic salary, pay, or compensation received by the

1 officer or employee during any five consecutive years of
 2 allowable service at the option of the officer or employee
 3 multiplied by the years of service; or ~~(2)~~ 1 per centum of
 4 the average annual basic salary, pay, or compensation re-
 5 ceived by the officer or employee during any five consecutive
 6 years of allowable service at the option of the officer or
 7 employee multiplied by the years of service, plus a sum
 8 equal to \$25 for each year of such service: *Provided*, That
 9 if deposit or redeposit under section 7, 9, or 12 ~~(b)~~ hereof
 10 has not been made, the annuity for the period or periods of
 11 service covered by the deposit or redeposit shall be in an
 12 amount equal to 1 per centum of the average annual basic
 13 salary, pay, or compensation received by the officer or
 14 employee during any five consecutive years of allowable
 15 service at the option of the officer or employee multiplied by
 16 the years of such service: *Provided further*, That in no case
 17 shall the annuity exceed an amount equal to 90 per centum
 18 of the highest average annual basic salary, pay, or compen-
 19 sation received by the officer or employee during five con-
 20 secutive years of allowable service.

21 “~~(b)~~ Any officer or employee, if a husband, retiring
 22 under the provisions of section 1, 2, or 6 of this Act may
 23 at the time of his retirement elect to receive in lieu of the
 24 life annuity described herein a reduced annuity equal to
 25 90 per centum of such life annuity and an annuity after his

1 death payable to his surviving widow equal to 50 per centum
2 of such life annuity.—The annuity of such widow shall
3 begin on the first day of the month in which the death of
4 the husband occurs or the first day of the month following
5 the widow's attainment of age sixty, whichever is the later,
6 and shall terminate upon her death.

7 “(c) Any officer or employee in good health retiring
8 under the provisions of section 1 or 2 of this Act may at
9 the time of his retirement elect to receive in lieu of the life
10 annuity described herein a reduced annuity payable to him
11 during his life, and an annuity after his death payable to a
12 survivor annuitant, duly designated in writing and filed with
13 the Civil Service Commission at the time of his retirement,
14 during the life of such survivor annuitant equal to 50 per
15 centum of such reduced annuity and upon the death of such
16 survivor annuitant all payments shall cease and no further
17 annuity shall be due and payable. The annuity hereunder
18 payable to the officer or employee shall be 90 per centum
19 of the life annuity otherwise payable if the survivor annuitant
20 is the same age or older than the annuitant, or is less than
21 five years younger than the annuitant; 85 per centum if
22 the survivor annuitant is five but less than ten years younger;
23 80 per centum if the survivor annuitant is ten but less than
24 fifteen years younger; 75 per centum if the survivor annui-
25 tant is fifteen but less than twenty years younger; 70 per

1 centum if the survivor annuitant is twenty but less than
2 twenty-five years younger; and 60 per centum if the survivor
3 annuitant is twenty-five or more years younger. No such
4 election shall be valid until the retiring officer or employee
5 shall have satisfactorily passed a physical examination as
6 prescribed by the Civil Service Commission.

7 “(d) For the purpose of this Act all periods of service
8 shall be computed in accordance with section 5 hereof, and
9 the monthly annuity installment shall be fixed at the nearest
10 dollar.

11 “(e) The term ‘basic salary, pay, or compensation’,
12 wherever used in this Act, shall be so construed as to exclude
13 from the operation of the Act all bonuses, allowances, over-
14 time pay, or salary, pay, or compensation given in addition
15 to the base pay of the position as fixed by law or regulation.”

16 SEC. 5. The first paragraph of section 5 of the Act of
17 May 29, 1930, as amended, is amended to read as follows:

18 “Subject to the provisions of section 9 hereof, the aggre-
19 gate period of service which forms the basis for calculating the
20 amount of any annuity provided in this Act shall be computed
21 from the date of original employment, whether as a classified
22 or an unclassified officer or employee in the civil service of
23 the United States, or in the service of the District of Colum-
24 bia, including periods of service at different times and in

1 one or more departments, branches, or independent offices,
2 or the legislative branch of the Government, and also periods
3 of service performed overseas under authority of the United
4 States, and periods of honorable service in the Army, Navy,
5 Marine Corps, or Coast Guard of the United States; in the
6 case of an officer or employee, however, who is eligible for
7 and receives retired pay on account of military or naval
8 service, the period of service upon which such retired pay
9 is based shall not be included, except that in the case of an
10 officer or employee who is eligible for and receives retired
11 pay on account of a service-connected disability incurred in
12 combat with an enemy of the United States or resulting from
13 an explosion of an instrument of war, the period of the mili-
14 tary service shall be included: *Provided*, That an officer or
15 employee must have served for a total period of not less than
16 five years exclusive of such military or naval service before
17 he shall be eligible for annuity under this Act. Nothing in
18 this Act shall be construed as to effect in any manner an
19 officer's or employee's right to retired pay, pension, or com-
20 pensation in addition to the annuity herein provided."

21 SEC. 6. The first three paragraphs of section 6 of the
22 Act of May 29, 1930, as amended, are amended to read as
23 follows:

24 "Any officer or employee to whom this Act applies who
25 shall have served for a total period of not less than five

1 years computed as provided in section 5 of this Act, and
2 who, before meeting the age and service requirements for
3 retirement under section 1 (a) hereof, becomes totally dis-
4 abled for useful and efficient service in the grade or class
5 of position occupied by the officer or employee, by reason
6 of disease or injury not due to vicious habits, intemper-
7 ance, or willful misconduct on the part of the officer or
8 employee, shall upon his own application or upon the re-
9 quest or order of the head of the department, branch, or
10 independent office concerned, be retired on an annuity com-
11 puted in accordance with the provisions of section 4 hereof:
12 *Provided*, That proof of freedom from vicious habits, intem-
13 perance, or willful misconduct for a period of more than five
14 years next prior to becoming so disabled for useful and effi-
15 cient service, shall not be required in any case. No officer
16 or employee shall be retired under the provisions of this sec-
17 tion unless examined by a medical officer of the United
18 States, or a duly qualified physician or surgeon, or board
19 of physicians or surgeons, designated by the Civil Service
20 Commission for that purpose, and found to be disabled in
21 the degree and in the manner specified herein. No claim
22 shall be allowed under the provisions of this section unless
23 the application for retirement shall have been executed prior
24 to the applicant's separation from the service or within six
25 months thereafter. The time limitation for execution of

1 claims for retirement under the terms of this section may be
2 waived by the Civil Service Commission in case of an officer
3 or employee who at the date of separation from service or
4 within six months thereafter is receiving hospital treatment,
5 but the application in such case must be filed with the Civil
6 Service Commission not later than six months after the ter-
7 mination of such hospitalization; in the case of any such per-
8 son heretofore separated from service application may be
9 filed within six months after the effective date of this Act.
10 Such time limitation may similarly be waived in the case
11 of an officer or employee who at the date of separation
12 from service or within six months thereafter is mentally
13 incompetent, but the application in such case must be filed
14 with the Civil Service Commission within one year from
15 the date of restoration of such person to competency or the
16 appointment of a fiduciary whichever is the earlier.

17 "Every annuitant retired under the provisions of this
18 section unless the disability for which retired be permanent
19 in character, shall at the expiration of one year from the date
20 of such retirement and annually thereafter, until reaching
21 age sixty, be examined under the direction of the Civil Serv-
22 ice Commission by a medical officer of the United States, or
23 a duly qualified physician or surgeon, or board of physicians
24 or surgeons designated by the Civil Service Commission for
25 that purpose, in order to ascertain the nature and degree of

1 the annuitant's disability, if any. If an annuitant shall re-
2 cover before reaching age sixty and be restored to an earn-
3 ing capacity which would permit him to be appointed to
4 some appropriate position fairly comparable in compensa-
5 tion to the position occupied at the time of retirement, pay-
6 ment of the annuity shall be continued temporarily to afford
7 the annuitant opportunity to seek such available position,
8 but not in any case exceeding one year from the date of the
9 medical examination showing such recovery. Should the
10 annuitant fail to appear for examination as required under
11 this section, payment of the annuity shall be suspended until
12 continuance of the disability shall have been satisfactorily
13 established. The Civil Service Commission may order or
14 direct at any time such medical or other examination as it
15 shall deem necessary to determine the facts relative to the
16 nature and degree of disability of any officer or employee
17 retired on an annuity under this section.

18 "If a recovered disability annuitant whose annuity is
19 discontinued subsequent to June 30, 1945, shall fail to obtain
20 reemployment in any position included in the provisions of
21 this Act, he shall be considered as having been separated
22 from the service within the meaning of section 7 of this
23 Act as of the date he was retired for disability and shall,
24 after the discontinuance of the disability annuity, be entitled

1 to a deferred annuity in accordance with the provisions of
2 such section."

3 "SEC. 7. Section 7 of the Act of May 29, 1930, as
4 amended, is amended to read as follows:

5 "SEC. 7. (a) Should any officer or employee to whom
6 this Act applies after having rendered five years of service,
7 computed as prescribed in section 5 of this Act, but less than
8 ten years of creditable civilian service and before becoming
9 eligible for retirement under section 1 (a) of this Act become
10 separated from the service, such officer or employee shall be
11 paid as he may elect, (A) a deferred annuity beginning at
12 the age of sixty-two years, or the age at separation if beyond
13 the age of sixty-two computed as provided in section 4 (a)
14 of this Act, or (B) the total amount credited to his individual
15 account together with interest at 4 per centum per annum
16 to December 31, 1947, and 3 per centum per annum there-
17 after compounded on December 31 of each year to date of
18 separation.

19 "(b) Should any officer or employee to whom this Act
20 applies, after having rendered at least ten years of creditable
21 civilian service and before becoming eligible for retirement
22 under section 1 (a) of this Act become separated from the
23 service, such officer or employee shall be paid a deferred
24 annuity beginning at the age of sixty-two years.

25 "(c) All amounts returned to an officer or employee

1 under this section must upon reinstatement, retransfer, or re-
2 appointment to a position within the purview of this Act be
3 redeposited by such officer or employee before he may
4 received full credit for the service covered by the refund."

5 SEC. 8. Section 8 of the Act of May 29, 1930, as
6 amended, is amended to read as follows:

7 "SEC. 8. In the case of any officer or employee who
8 before the effective date of this Act shall have been retired
9 on annuity under the provisions of the Act of May 22, 1920,
10 as amended, or section 8 (a) of the Act of June 16, 1933,
11 the annuity shall be increased, effective on the first day of
12 the fourth month following the month in which this Act is
13 enacted by 25 per centum or \$300, whichever is the lesser:
14 *Provided*, That each such annuitant may, prior to the effec-
15 tive date herein prescribed, elect to retain his or her present
16 annuity, in lieu of the increased annuity provided by this
17 section, and name his wife or her husband to receive upon
18 his or her death one-half of his or her present annuity but
19 not to exceed \$600 per annum during the remainder of the
20 life of such surviving husband or wife and upon the death
21 of such survivor no further annuity shall be due or payable.

22 "In case any officer or employee shall have been sep-
23 arated subsequent to January 23, 1942, and prior to effective
24 date of this Act and have acquired title to annuity under
25 section 7 of the Act of May 29, 1930, as amended, beginning

1 after such effective date, such annuity shall be computed in
2 accordance with section 4 of this Act but any reduction
3 applicable thereto shall be determined as if this Act had not
4 been enacted: *Provided*, That any such officer or employee
5 may elect to forfeit his right to such annuity and elect in lieu
6 thereof to receive the benefits provided by section 7 of this
7 Act."

8 SEC. 9. Section 9 of the Act of May 29, 1930, as
9 amended, is amended to read as follows:

10 "SEC. 9. Each officer or employee within the purview
11 of this Act may deposit to the credit of the 'civil-service
12 retirement and disability fund' a sum equal to $2\frac{1}{2}$ per centum
13 of his basic salary, pay, or compensation received for services
14 rendered after July 31, 1920, and prior to July 1, 1926;
15 $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for
16 services rendered from and after July 1, 1926, and prior to
17 July 1, 1942; 5 per centum of said basic pay, salary, or
18 compensation for services rendered from and after July 1,
19 1942, and prior to the first day of the first pay period in
20 1948, and also 6 per centum thereafter, covering service dur-
21 ing which no deductions were withheld for deposit in the said
22 fund. Each such officer or employee may elect to make such
23 deposits in installments during the continuance of his service
24 in such amounts and under such conditions as may be deter-
25 mined in each instance by the Civil Service Commission.

1 The amount so deposited shall be credited to the individual
2 account of the officer or employee in the said fund. Upon
3 making such deposit, the officer or employee shall be entitled
4 to full credit for the period or periods of service involved:
5 *Provided*, That no deposit shall be required for any service
6 rendered prior to August 1, 1920, or for periods of honorable
7 service in the Army, Navy, Marine Corps, or Coast Guard of
8 the United States."

9 SEC. 10. The first two paragraphs of section 10 of the
10 Act of May 29, 1930, as amended, are amended to read as
11 follows:

12 "Beginning as of July 1, 1942, there shall be deducted
13 and withheld from the basic salary, pay, or compensation of
14 each officer or employee to whom this Act applies a sum
15 equal to 5 per centum of such officer's or employee's basic
16 salary, pay, or compensation: *Provided*, That from and
17 after the first day of the first pay period in 1948, there shall
18 be deducted and withheld from the basic salary, pay, or
19 compensation of each officer or employee to whom this Act
20 applies a sum equal to 6 per centum of such officer's or
21 employee's basic salary, pay, or compensation. The amounts
22 so deducted and withheld from the basic salary, pay, or
23 compensation of each officer or employee shall, in accord-
24 ance with such procedure as may be prescribed by the

1 Comptroller General of the United States, be deposited in
2 the Treasury of the United States to the credit of the civil-
3 service retirement and disability fund created by the Act
4 of May 22, 1920, and said fund is hereby appropriated for
5 the payment of annuities, refunds, and allowances as provided
6 in this Act.

7 "Any officer or employee may at his option and under
8 such regulations as may be prescribed by the Civil Service
9 Commission deposit additional sums in multiples of \$25 but
10 not to exceed 10 per centum of his annual basic salary, pay,
11 or compensation, for service rendered since August 1, 1920,
12 which amount together with interest thereon at 3 per centum
13 per annum compounded as of December 31 of each year,
14 shall, at the date of his retirement, be available to purchase,
15 as he shall elect and in accordance with such rules and
16 regulations as may be prescribed by the Civil Service Com-
17 mission, an annuity in addition to the annuity provided
18 by this Act. The life annuity shall consist of \$7 for each
19 \$100 in case the officer or employee has not reached age
20 sixty; \$8 if he has reached age sixty but not age sixty-five;
21 \$9 if he has reached age sixty-five but not age seventy; and
22 \$10 if he has reached age seventy. In the event of death
23 or separation from the service of such officer or employee
24 before becoming eligible for retirement or annuity, the total
25 amount so deposited with interest at 3 per centum per

1 annum to date of death or separation compounded on De-
2 cember 31 of each year shall be refunded in accordance with
3 the provisions of section 12 of this Act."

4 SEC. 11. Section 12 of the Act of May 29, 1930, as
5 amended, is amended to read as follows:

6 "SEC. 12. (a) Under such regulations as may be pre-
7 scribed by the Civil Service Commission the amounts de-
8 ducted and withheld from the basic salary, pay, or compensa-
9 tion of each officer or employee for credit to the 'civil-service
10 retirement and disability fund' created by the Act of May
11 22, 1920, covering service from and after August 1, 1920,
12 shall be credited to an individual account of such officer or
13 employee.

14 "(b) (1) In the case of any officer or employee to
15 whom this Act applies who shall become absolutely sep-
16 arated from the service before he shall have completed an
17 aggregate of five years of service computed as prescribed
18 in section 5 of this Act, or who shall be transferred to a
19 position not within the purview of this Act, the amount
20 credited to his individual account together with interest at
21 4 per centum per annum to December 31, 1947, and 3
22 per centum per annum thereafter compounded on December
23 31 of each year to date of separation shall be returned to
24 such officer or employee: *Provided*, That in computing
25 interest under this subsection, a fractional part of a month

1 in the total service covered by the refund shall be disre-
 2 garded, and no interest shall be allowed in any case unless
 3 the service covered by the refund aggregates more than one
 4 year.

5 “(2) All amounts returned to an officer or employee
 6 under this subsection must, upon reinstatement, retransfer,
 7 or reappointment to a position within the purview of this
 8 Act, be redeposited by such officer or employee before he
 9 may receive full credit for the service covered by the refund.

10 “(c) (1) In case any officer or employee to whom
 11 this Act applies shall die after having rendered at least five
 12 years of civilian service computed as prescribed in section 5
 13 of this Act and is survived by a widow, such widow shall
 14 be paid an annuity beginning the first day of the month
 15 following the death of the officer or employee or following
 16 the widow's attainment of age sixty, whichever is the later,
 17 equal to 50 per centum of the amount of an annuity com-
 18 puted as provided in section 4 (a) hereof with respect to
 19 such officer or employee: *Provided*, That such payments
 20 shall cease upon death of the widow.

21 “(2) In case any officer or employee to whom this
 22 Act applies shall die after having rendered at least five years
 23 of civilian service computed as prescribed in section 5 of
 24 this Act, or after having retired subsequent to the effective
 25 date of this Act under section 1, 2, or 6, and is survived

1 by a widow and a child or children; such widow shall be
 2 paid an immediate annuity equal to 50 per centum of the
 3 amount of an annuity computed as provided in section 4
 4 ~~(a)~~ hereof with respect to such officer or employee. Such
 5 annuity shall be terminable upon the death of such widow,
 6 her attainment of age sixty, or upon termination of depend-
 7 ency of the last surviving child by reason of ~~(A)~~ his at-
 8 taining the age of eighteen years, ~~(B)~~ his marriage, or
 9 ~~(C)~~ his death, whichever first occurs, except that if such
 10 child is incapable of self-support by reason of mental or
 11 physical disability his dependency shall terminate only upon
 12 his death, marriage, or recovery from such disability.

13 “~~(d)~~ As used in this Act—

14 “~~(1)~~ The term ‘widow’ means a surviving wife of an
 15 individual, who either ~~(A)~~ shall have been married to such
 16 individual for at least five years immediately preceding his
 17 death, or ~~(B)~~ is the mother of issue by such marriage.

18 “~~(2)~~ The term ‘child’ means an unmarried child, in-
 19 cluding a dependent stepchild or an adopted child, under
 20 the age of eighteen years, or an unmarried child who be-
 21 cause of physical or mental disability is incapable of self-
 22 support.

23 “~~(3)~~ Questions of dependency and disability arising
 24 under this section shall be determined by the Civil Service
 25 Commission and its decisions with respect to such matters

1 shall be final and conclusive and shall not be subject to re-
2 view. The Commission may order or direct at any time
3 such medical or other examinations as it shall deem neces-
4 sary to determine the facts relative to the nature and degree
5 of disability of any annuitant or applicant for annuity under
6 this section, and may suspend or deny any such annuity
7 for failure to submit to any such examination.

8 “(e) In case an officer or employee to whom this Act
9 applies shall die ~~(1)~~ before having rendered five years of
10 civilian service computed as prescribed in section 5 of this
11 Act or without a survivor entitled to annuity benefits pro-
12 vided by section 12 ~~(c)~~ hereof the total amount of deduc-
13 tions credited to his individual account with interest thereon
14 at 4 per centum per annum to December 31, 1947, and 3 per
15 centum per annum thereafter compounded on December 31
16 of each year to date of death, or ~~(2)~~ leaving a survivor en-
17 titled to such annuity benefits the total amount of deductions
18 credited to his individual account without interest, shall be
19 paid upon the establishment of a valid claim therefor, in the
20 following order of precedence:

21 “First, to the beneficiary or beneficiaries designated in
22 writing by such officer or employee and recorded with the
23 Civil Service Commission;

24 “Second, if there be no such beneficiary, to the duly ap-

1 pointed executor or administrator of the estate of such officer
2 or employee;

3 “Third, if there be no such beneficiary or executor or
4 administrator, payment may be made, after the expiration of
5 thirty days from the date of the death of the officer or em-
6 ployee, to such person or persons as may appear in the judg-
7 ment of the Civil Service Commission to be legally entitled
8 thereto, and such payment shall be a bar to recovery by any
9 other person.

10 “(f) In case of death of a retired employee (1) who
11 has not elected a joint and survivorship annuity as provided
12 in section 4 (c) of this Act and who has not received in
13 annuities an amount equal to the total amount credited to
14 his individual account with interest thereon at 4 per centum
15 per annum to December 31, 1947, and 3 per centum per
16 annum thereafter compounded on December 31 of each year
17 to date of retirement, or (2) who has elected a joint and
18 survivorship annuity as provided in section 4 (b) of this
19 Act and who has not received in annuities an amount equal
20 to the total amount credited to his individual account, the
21 difference and/or any accrued annuity due shall be paid
22 upon the establishment of a valid claim therefor, in the order
23 of precedence specified in subsection (e) hereof: In case
24 any separated officer or employee who is entitled to a de-

ferred annuity as provided in section 7 (a) or 7 (b) hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest thereon at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of death, shall be paid upon the establishment of a valid claim therefor in the order of precedence specified in subsection (c) hereof.

“(g) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

“(h) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee

1 does not exceed \$1,000, and if there has been no demand
2 upon the Civil Service Commission by a duly appointed
3 guardian or committee, payment may be made, after the
4 expiration of thirty days from date of separation from the
5 service, to such person or persons, in the discretion of the
6 Commission, who may have the care and custody of such
7 former employee, and such payment shall be a bar to
8 recovery by any other person.

9 “(i) Each employee or annuitant to whom this Act
10 applies shall, under regulations prescribed by the Civil
11 Service Commission, designate a beneficiary or beneficiaries
12 to whom shall be paid, upon the death of the employee or
13 annuitant any sum remaining to his credit (including any
14 accrued annuity) under the provisions of this Act.”

15 SEC. 12. The first paragraph of section 13 of the Act of
16 May 29, 1930, as amended, is amended to read as follows:

17 “Annuities granted under the terms of this Act shall
18 accrue monthly and shall be due and payable in monthly
19 installments on the first business day of the month following
20 the month or other period for which the annuity shall have
21 accrued. Payment of all annuities, refunds, and allowances
22 granted hereunder shall be made by checks drawn and issued
23 by the Treasury Department in such form and manner and
24 with such safeguards as shall be prescribed by the Civil

1 Service Commission in accordance with the laws, rules, and
2 regulations governing accounting that may be found applica-
3 ble to such payments.”

4 SEC. 13. The third paragraph of section 13 of the Act of
5 May 29, 1930, as amended, is amended to read as follows:

6 “An annuity granted for retirement under the provisions
7 of section 1 or 2 of this Act shall commence the first day
8 of the month following the date of separation from the
9 service, or on the first day of the month following the
10 month in which salary shall cease provided the employee
11 meets the age and service requirements for retirement at
12 that time, and shall continue during the life of the annuitant.
13 An annuity granted under the provisions of section 6 or
14 7 hereof shall be subject to the limitations specified in said
15 sections.”

16 SEC. 14. Section 14 of the Act of May 29, 1930, as
17 amended, is hereby repealed.

18 SEC. 15. Except as otherwise provided herein, this Act
19 shall become effective on the first day of the fourth month
20 following the month of approval.

21 *That section 2 of the Civil Service Retirement Act of May*
22 *29, 1930, as amended, is amended to read as follows:*

23 “SEC. 2. (a) *Except as provided in section 204 of the*
24 *Act of June 30, 1932 (47 Stat. 404), and section 3*
25 *of the Act of July 13, 1937 (50 Stat. 512), any officer*

1 or employee to whom this Act applies who shall have com-
2 pleted ten years of service computed as provided in section
3 5 of this Act shall, on the last day of the month in which
4 he attains the age of seventy years, or completes ten years
5 of service if then beyond such age, be automatically separated
6 from the service, and all salary, pay, or compensation shall
7 cease from that date, and the head of each department,
8 branch, or independent office of the Government concerned
9 shall notify each such employee under his direction of the
10 date of his separation from the service at least sixty days
11 in advance thereof: Provided, That should the head of the
12 department, branch, or independent office fail, through error,
13 to give timely notification, the employee's separation from
14 the service shall not be effected without his consent until
15 the expiration of said sixty-day period. Upon such separa-
16 tion, the officer or employee shall be eligible for retirement
17 on annuity as provided in section 4 hereof.

18 “(b) No person who is receiving an annuity under the
19 provisions of this Act and who has reached the age of sixty
20 years shall be eligible again to appointment to any appointive
21 office, position, or employment under the Government of the
22 United States or of the District of Columbia, unless the
23 appointing authority determines that he is possessed of special
24 qualifications: Provided, That no deductions for the retire-
25 ment fund shall be withheld from the salary, pay, or com-

1 *pensation of such person, but there shall be deducted from*
2 *his salary, pay, or compensation otherwise payable a sum*
3 *equal to the retirement annuity allocable to the period of*
4 *actual employment: Provided further, That the annuity in*
5 *such case shall not be redetermined upon such person's*
6 *subsequent separation from the service."*

7 *SEC. 2. Section 4 of the Act of May 29, 1930, as*
8 *amended, is amended to read as follows:*

9 *"SEC. 4. (a) The annuity of an officer or employee*
10 *retired under this Act shall be a life annuity, terminable*
11 *upon the death of the annuitant and shall be an amount*
12 *equal to the following: (1) $1\frac{1}{2}$ per centum of the average*
13 *annual basic salary, pay, or compensation received by the*
14 *officer or employee during any five consecutive years of*
15 *allowable service at the option of the officer or employee*
16 *multiplied by the years of service not exceeding thirty-five*
17 *years, or (2) 1 per centum of the average annual basic*
18 *salary, pay, or compensation received by the officer or em-*
19 *ployee during any five consecutive years of allowable service*
20 *at the option of the officer or employee multiplied by the*
21 *years of service not exceeding thirty-five years, plus a sum*
22 *equal to \$25 for each year of such service but not exceeding*
23 *thirty-five years: Provided, That in no case shall the annuity*
24 *exceed an amount equal to 80 per centum of the highest*
25 *average annual basic salary, pay, or compensation received*

1 by the officer or employee during five consecutive years of
2 allowable service.

3 “(b) Any officer or employee, if a husband, retiring
4 under the provisions of section 1, 2, or 6 of this Act may
5 at the time of his retirement elect to receive in lieu of the
6 life annuity described herein a reduced annuity and an
7 annuity after his death payable to his surviving widow equal
8 to 50 per centum of such life annuity. The annuity of the
9 officer or employee making such election shall be equal to
10 90 per centum of such life annuity, reduced by three-fourths
11 of 1 per centum of such life annuity for each full year, if
12 any, his wife is under the age of sixty at the date of such
13 election; but shall in no case be less than 75 per centum
14 of such life annuity. The annuity of such widow shall
15 begin on the first day of the month in which the death of
16 the husband occurs or the first day of the month following
17 the widow's attainment of age fifty, whichever is the later,
18 and shall terminate upon her death or remarriage.

19 “(c) For the purpose of this Act all periods of service
20 shall be computed in accordance with section 5 hereof, and
21 the monthly annuity installment shall be fixed at the nearest
22 dollar.

23 “(d) Except as provided in sections 501 and 522 (b)
24 of the Federal Employees Pay Act of 1945, as amended, the
25 term ‘basic salary, pay, or compensation’, wherever used in

1 *this Act, shall be so construed as to exclude from the opera-*
2 *tion of the Act all bonuses, allowances, overtime pay, or*
3 *salary, pay, or compensation given in addition to the base*
4 *pay of the position as fixed by law or regulation."*

5 *SEC. 3. The first paragraph of section 5 of the Act of*
6 *May 29, 1930, as amended, is amended to read as follows:*

7 *"Subject to the provisions of section 9 hereof, the*
8 *aggregate period of service which forms the basis for cal-*
9 *culating the amount of any annuity provided in this Act*
10 *shall be computed from the date of original employment,*
11 *whether as a classified or an unclassified officer or employee*
12 *in the civil service of the United States, or in the service*
13 *of the District of Columbia, including periods of service*
14 *at different times and in one or more departments, branches,*
15 *or independent offices, or the legislative branch of the Gov-*
16 *ernment and also periods of service performed overseas*
17 *under authority of the United States, and periods of honor-*
18 *able service in the Army, Navy, Marine Corps, or Coast*
19 *Guard of the United States; in the case of an officer or*
20 *employee, however, who is eligible for and receives retired*
21 *pay on account of military or naval service, the period of*
22 *service upon which such retired pay is based shall not be*
23 *included, except that in the case of an officer or employee*
24 *who is eligible for and receives retired pay on account of a*
25 *service-connected disability incurred in combat with an*

1 enemy of the United States or resulting from an explosion
2 of an instrument of war, the period of the military service
3 shall be included: Provided, That an officer or employee
4 must have served for a total period of not less than five
5 years, exclusive of such military or naval service, before
6 he shall be eligible for annuity under this Act. Nothing in
7 this Act shall be construed as to affect in any manner an
8 officer's or employee's right to retired pay, pension, or
9 compensation in addition to the annuity herein provided."

10 SEC. 4. The first three paragraphs of section 6 of the
11 Act of May 29, 1930, as amended, are amended to read as
12 follows:

13 "Any officer or employee to whom this Act applies who
14 shall have served for a total period of not less than five years
15 computed as provided in section 5 of this Act, and who,
16 before becoming eligible for retirement under the conditions
17 defined in the preceding section hereof, becomes totally
18 disabled for useful and efficient service in the grade or class
19 of position occupied by the officer or employee, by reason of
20 disease or injury not due to vicious habits, intemperance, or
21 willful misconduct on the part of the officer or employee,
22 shall upon his own application or upon the request or order
23 of the head of the department, branch, or independent office
24 concerned, be retired on an annuity computed in accordance
25 with the provisions of section 4 hereof: Provided, That proof

1 of freedom from vicious habits, intemperance, or willful mis-
2 conduct for a period of more than five years next prior to
3 becoming so disabled for useful and efficient service, shall
4 not be required in any case. No officer or employee shall
5 be retired under the provisions of this section unless examined
6 by a medical officer of the United States, or a duly qualified
7 physician or surgeon, or board of physicians or surgeons,
8 designated by the Civil Service Commission for that purpose,
9 and found to be disabled in the degree and in the manner
10 specified herein. No claim shall be allowed under the pro-
11 visions of this section unless the application for retirement
12 shall have been executed prior to the applicant's separation
13 from the service or within six months thereafter. The time
14 limitation for execution of claims for retirement under the
15 terms of this section may be waived by the Civil Service
16 Commission in case of an officer or employee who at the date
17 of separation from service or within six months thereafter
18 is receiving hospital treatment, but the application in such
19 case must be filed with the Civil Service Commission not
20 later than six months after the termination of such hospitali-
21 zation; in the case of any such person heretofore separated
22 from service application may be filed within six months after
23 the effective date of this Act. Such time limitation may
24 similarly be waived in the case of an officer or employee who
25 at the date of separation from service or within six months

1 thereafter is mentally incompetent, but the application in such
2 case must be filed with the Civil Service Commission within
3 one year from the date of restoration of such person to
4 competency or the appointment of a fiduciary whichever is
5 the earlier.

6 “Every annuitant retired under the provisions of this
7 section unless the disability for which retired be permanent
8 in character, shall at the expiration of one year from the
9 date of such retirement and annually thereafter, until reach-
10 ing age sixty, be examined under the direction of the Civil
11 Service Commission by a medical officer of the United
12 States, or a duly qualified physician or surgeon, or board
13 of physicians or surgeons designated by the Civil Service
14 Commission for that purpose, in order to ascertain the nature
15 and degree of the annuitant's disability, if any. If an an-
16 nuitant shall recover before reaching age sixty and be
17 restored to an earning capacity which would permit him to
18 be appointed to some appropriate position fairly comparable
19 in compensation to the position occupied at the time of
20 retirement, payment of the annuity shall be continued tem-
21 porarily to afford the annuitant opportunity to seek such
22 available position, but not in any case exceeding one year
23 from the date of the medical examination showing such
24 recovery. Should the annuitant fail to appear for examina-
25 tion as required under this section, payment of the annuity

1 shall be suspended until continuance of the disability shall
2 have been satisfactorily established. The Civil Service Com-
3 mission may order or direct at any time such medical or
4 other examination as it shall deem necessary to determine
5 the facts relative to the nature and degree of disability of
6 any officer or employee retired on an annuity under this
7 section.

8 *"If a recovered disability annuitant whose annuity is*
9 *discontinued subsequent to June 30, 1945, shall fail to obtain*
10 *reemployment in any position included in the provisions of*
11 *this Act, he shall be considered as having been separated*
12 *from the service within the meaning of section 7 (a) of*
13 *this Act as of the date he was retired for disability and shall,*
14 *after the discontinuance of the disability annuity, be entitled*
15 *to a deferred annuity in accordance with the provisions of*
16 *such section."*

17 *SEC. 5. Section 7 of the Act of May 29, 1930, as*
18 *amended, is amended to read as follows:*

19 *"SEC. 7. (a) Should any officer or employee to whom*
20 *this Act applies after having rendered five years of civilian*
21 *service, computed as prescribed in section 5 of this Act, and*
22 *before becoming eligible for retirement under this Act be-*
23 *come separated from the service, such officer or employee*
24 *shall be paid as he may elect, (A) a deferred annuity be-*
25 *ginning at the age of sixty-two years, or the age at*

1 separation if beyond the age of sixty-two computed as pro-
2 vided in section 4 (a) of this Act, or (B) the total amount
3 credited to his individual account together with interest at
4 4 per centum per annum to December 31, 1947, and 3 per
5 centum per annum thereafter compounded on December 31
6 of each year to date of separation.

7 “(b) All amounts returned to an officer or employee
8 under this section must upon reinstatement, retransfer, or
9 reappointment to a position within the purview of this Act
10 be redeposited, together with interest at 4 per centum per
11 annum to December 1, 1947, and 3 per centum per annum
12 thereafter, compounded on December 31 of each year, by
13 such officer or employee before he may receive any credit
14 for the service covered by the refund.”

15 SEC. 6. Section 8 of the Act of May 29, 1930, as
16 amended, is amended to read as follows:

17 “SEC. 8. In the case of any officer or employee who
18 before the effective date of this Act shall have been retired
19 on annuity under the provisions of the Act of May 22, 1920,
20 as amended, or section 8 (a) of the Act of June 16, 1933,
21 the annuity shall be increased, effective on the first day of
22 the second month following the month in which this Act
23 is enacted by 25 per centum or \$300, whichever is the lesser:
24 Provided, That no such increase shall (1) exceed an amount
25 which, when added to the present annuity of any such officer

1 or employee, exceeds the amount of annuity which such
2 officer or employee would have received had the provisions of
3 this Act been in effect at the date of his retirement, or (2)
4 be payable in any case in which the present annuity of any
5 such officer or employee exceeds the amount of annuity which
6 such officer or employee would have received had such pro-
7 visions been in effect on such date: Provided, That each
8 such annuitant may, prior to the effective date herein pre-
9 scribed, elect to retain his or her present annuity, in lieu
10 of the increased annuity provided by this section, and name
11 his wife or her husband to receive upon his or her death
12 one-half of his or her present annuity but not to exceed
13 \$600 per annum during the remainder of the life of such
14 survivor no further annuity shall be due or payable.

15 “In case any officer or employee shall have been sep-
16 arated subsequent to January 23, 1942, and prior to effective
17 date of this Act and have acquired title to annuity under
18 section 7 of the Act of May 29, 1930, as amended, beginning
19 after such effective date, such annuity shall be computed as
20 though this Act had been in effect on the date of such separa-
21 tion: Provided, That any such officer or employee may elect
22 to forfeit his right to such annuity and elect in lieu thereof
23 to receive a refund as provided by section 7 of this Act.”

24 SEC. 7. Section 9 of the Act of May 29, 1930, as
25 amended, is amended to read as follows:

1 “SEC. 9. Each officer or employee within the purview
2 of this Act shall deposit with interest at 4 per centum per
3 annum to December 31, 1947, and 3 per centum per annum
4 thereafter, compounded on December 31 of each year, to
5 the credit of the ‘civil-service retirement and disability
6 fund’ a sum equal to $2\frac{1}{2}$ per centum of his basic salary,
7 pay, or compensation received for services rendered after
8 July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$ per centum
9 of the basic salary, pay, or compensation for services ren-
10 dered from and after July 1, 1926, and prior to July 1,
11 1942; 5 per centum of such basic pay, salary, or compen-
12 sation for services rendered from and after July 1, 1942,
13 and prior to the first day of the first pay period which
14 begins after June 30, 1948, and also 6 per centum there-
15 after, covering service during which no deductions were
16 withheld for deposit in the said fund. Each such officer
17 or employee may elect to make such deposits in installments
18 during the continuance of his service in such amounts and
19 under such conditions as may be determined in each in-
20 stance by the Civil Service Commission. The amount so
21 deposited shall be credited to the individual account of the
22 officer or employee in the said fund. Notwithstanding the
23 failure of an officer or employee (other than an officer or
24 employee who had an opportunity to elect to come within
25 the purview of this Act and who failed to exercise such

1 election) to make such deposit, credit shall be allowed for the
2 service rendered, but the annuity of such employee shall be
3 reduced by an amount equal to the amount of annuity such
4 deposit would purchase if made, unless the officer or employee
5 shall elect to eliminate such service entirely from credit under
6 this Act: Provided, That no deposit shall be required for
7 any service rendered prior to August 1, 1920, or for periods
8 of honorable service in the Army, Navy, Marine Corps,
9 or Coast Guard of the United States."

10 SEC. 8. The first paragraph of section 10 of the Act
11 of May 29, 1930, as amended, is amended to read as follows:

12 "Beginning as of July 1, 1942, there shall be deducted
13 and withheld from the basic salary, pay, or compensation
14 of each officer or employee to whom this Act applies a sum
15 equal to 5 per centum of such officer's or employee's basic
16 salary, pay, or compensation: Provided, That from and after
17 the first day of the first pay period which begins after June
18 30, 1948, there shall be deducted and withheld from the
19 basic salary, pay, or compensation of each officer or employee
20 to whom this Act applies a sum equal to 6 per centum of
21 such officer's or employee's basic salary, pay, or compensa-
22 tion. The amounts so deducted and withheld from the basic
23 salary, pay, or compensation of each officer or employee
24 shall, in accordance with such procedure as may be pre-
25 scribed by the Comptroller General of the United States,

1 *be deposited in the Treasury of the United States to the*
2 *credit of the 'civil-service retirement and disability fund'*
3 *created by the Act of May 22, 1920, and said fund is hereby*
4 *appropriated for the payment of annuities, refunds, and*
5 *allowances as provided in this Act.'*

6 *SEC. 9. Section 12 of the Act of May 29, 1930, as*
7 *amended, is amended to read as follows:*

8 *"SEC. 12. (a) Under such regulations as may be*
9 *prescribed by the Civil Service Commission, the amounts*
10 *deducted and withheld from the basic salary, pay, or com-*
11 *pensation of each officer or employee for credit to the 'civil-*
12 *service retirement and disability fund' created by the Act of*
13 *May 22, 1920, covering service from and after August 1,*
14 *1920, shall be credited to an individual account of such*
15 *officer or employee.*

16 *"(b) (1) In the case of any officer or employee to*
17 *whom this Act applies who shall become absolutely sepa-*
18 *rated from the service before he shall have completed an*
19 *aggregate of five years of service computed as prescribed*
20 *in section 5 of this Act, or who shall be transferred to a*
21 *position not within the purview of this Act, the amount*
22 *credited to his individual account together with interest at*
23 *4 per centum per annum to December 31, 1947, and 3 per*
24 *centum per annum thereafter compounded on December 31*
25 *of each year to date of separation shall be returned to such*

1 officer or employee: Provided, That in computing interest
2 under this subsection, a fractional part of a month in the
3 total service covered by the refund shall be disregarded, and
4 no interest shall be allowed in any case unless the service
5 covered by the refund aggregates more than one year.

6 “(2) All amounts returned to an officer or employee
7 under this subsection must, upon reinstatement, transfer,
8 or reappointment to a position within the purview of this
9 Act, be redeposited by such officer or employee before he
10 may receive any credit for the service covered by the
11 refund.

12 “(c) (1) In case any officer or employee to whom this
13 Act applies shall die after having rendered at least five
14 years of civilian service computed as prescribed in section
15 5 of this Act and is survived by a widow, such widow shall
16 be paid an annuity beginning the first day of the month
17 following the death of the officer or employee or following
18 the widow's attainment of age fifty, whichever is the later
19 equal to one-half the amount of an annuity computed as
20 provided in section 4 hereof with respect to such officer or
21 employee: Provided, That such payments shall cease upon
22 death or remarriage of the widow.

23 “(2) In case any officer or employee to whom this
24 Act applies shall die after having rendered at least five years
25 of civilian service computed as prescribed in section 5 of

1 this Act and is survived by a widow and a surviving child
2 or children, such widow shall be paid an immediate annuity
3 terminable upon death or remarriage, equal to one-half the
4 amount of an annuity computed as provided in section 4
5 hereof with respect to such officer or employee. There shall
6 also be paid to or on behalf of each such child an immediate
7 annuity equal to one-fourth the amount of an annuity com-
8 puted as provided in section 4 hereof with respect to such
9 officer or employee, but not to exceed \$900 divided by the
10 number of such children or \$360, whichever is lesser. Upon
11 the death of such widow, the annuity of such child or children
12 shall be recomputed and paid as provided in section 12 (c)
13 (3) hereof.

14 “(3) In case any officer or employee to whom this Act
15 applies shall die after having rendered at least five years of
16 civilian service computed as prescribed in section 5 of this
17 Act and leaves no surviving widow but leaves a surviving
18 child or children, there shall be paid to or on behalf of each
19 such child an immediate annuity equal to one-half the amount
20 of an annuity computed as provided in section 4 hereof with
21 respect to such officer or employee, but not to exceed \$1,200
22 divided by the number of such children or \$480, whichever
23 is lesser.

24 “(4) The annuity payable to a child under this sub-
25 section shall be terminable upon (A) his attaining the age

1 of eighteen years, (B) his marriage, or (C) his death,
2 whichever first occurs, except that if such child is incapable
3 of self-support by reason of mental or physical disability
4 his annuity shall be terminable only upon death, marriage,
5 or recovery from such disability. In any case in which the
6 annuity of a child, under this subsection, is terminated, the
7 annuities of any other child or children, based upon the
8 service of the same officer or employee, shall be recomputed
9 and paid as though the child whose annuity was so termi-
10 nated had not survived such officer or employee.

11 “(5) Any surviving widow entitled to an annuity under
12 this subsection may elect to waive the right to receive such
13 annuity and to receive in lieu thereof a refund of amounts
14 credited to the individual account of the officer or employee
15 with interest thereon at the rate of 4 per centum per annum
16 to December 31, 1947, and 3 per centum thereafter, com-
17 pounded on December 31 of each year to the date of such
18 officer's or employee's death. In any case in which a sur-
19 viving widow elects to receive a refund under this para-
20 graph, no annuity shall be payable to such widow or to
21 any surviving child of the officer or employee under this
22 subsection. This paragraph shall not be applicable in the
23 case of the surviving widow of any officer or employee if
24 such officer or employee shall have filed a notice in writing
25 with the Civil Service Commission to the effect that he

1 *does not desire such paragraph to be applicable in his case.*

2 *“(d) As used in this section—*

3 *“(1) The term ‘widow’ means a surviving wife of an*
4 *individual, who either (A) shall have been married to such*
5 *individual for at least two years immediately preceding his*
6 *death, or (B) is the mother of issue by such marriage.*

7 *“(2) The term ‘child’ means an unmarried child, in-*
8 *cluding a dependent stepchild or an adopted child, under*
9 *the age of eighteen, or an unmarried child who because of*
10 *physical or mental disability is incapable of self-support, a*
11 *dependent stepchild, or an adopted child.*

12 *“(3) Questions of dependency and disability arising*
13 *under this section shall be determined by the Civil Service*
14 *Commission and its decisions with respect to such matters*
15 *shall be final and conclusive and shall not be subject to re-*
16 *view. The Commission may order or direct at any time*
17 *such medical or other examinations as it shall deem neces-*
18 *sary to determine the facts relative to the nature and degree*
19 *of disability of any annuitant or applicant for annuity under*
20 *this section, and may suspend or deny any such annuity for*
21 *failure to submit to any such examination.*

22 *“(e) In case (1) an officer or employee to whom this*
23 *Act applies shall die before having rendered five years of*
24 *civilian service computed as prescribed in section 5 of this*
25 *Act or without a survivor or survivors entitled to annuity*

1 benefits provided by section 12 (c) hereof the total amount
2 of deductions credited to his individual account with interest
3 thereon at 4 per centum per annum to December 31, 1947,
4 and 3 per centum per annum thereafter compounded on
5 December 31 of each year to date of death, or (2) any
6 separated officer or employee who is entitled to a deferred
7 annuity as provided in section 7 hereof shall die before
8 having established a valid claim for annuity, the total amount
9 credited to his individual account with interest at 4 per
10 centum per annum to December 31, 1947, or the date of
11 separation, whichever is earlier, and 3 per centum per annum
12 thereafter, compounded on December 31 of each year, to
13 date of death, or (3) the annuity of an annuitant under
14 section 12 (c) shall terminate before he and any other
15 persons who shall have received an annuity based upon the
16 service of the officer or employee shall have received in
17 annuities an aggregate amount equal to the amount to the
18 credit of such employee's individual account as of the date
19 of commencement of the annuity under section 12 (c) and
20 no other person is entitled to an annuity based upon such
21 service, the total amount of deductions remaining to the
22 credit of the individual account of such officer or employee,
23 with interest thereon at 4 per centum per annum to Decem-
24 ber 31, 1947, and 3 per centum per annum thereafter,
25 compounded on December 31 of each year, to the date of

1 commencement of such annuity, shall be paid upon the estab-
2 lishment of a valid claim therefor, in the following order of
3 precedence:

4 “First, to the beneficiary or beneficiaries designated in
5 writing by such officer or employee and recorded with the
6 Civil Service Commission.

7 “Second, if there be no such beneficiary, to the duly
8 appointed executor or administrator of the estate of such
9 officer or employee.

10 “Third, if there be no such beneficiary or executor or
11 administrator, payment may be made, after the expiration
12 of thirty days from the date of the death of the officer or
13 employee, to such person or persons as may appear in the
14 judgment of the Civil Service Commission to be legally
15 entitled thereto, and such payment shall be a bar to recovery
16 by any other person.

17 “(f) In case a retired employee who has not elected
18 a joint and survivorship annuity as provided in section 4 (b)
19 of this Act shall die without having received in annuities an
20 amount equal to the total amount credited to his individual
21 account with interest thereon at 4 per centum per annum
22 to December 31, 1947, and 3 per centum per annum there-
23 after compounded on December 31 of each year to date of
24 retirement, the difference and/or any accrued annuity due

1 shall be paid upon the establishment of a valid claim there-
2 for, in the following order of precedence:

3 "First, to the beneficiary or beneficiaries designated in
4 writing by such annuitant and recorded with the Civil Service
5 Commission.

6 "Second, if there be no such beneficiary, to the duly
7 appointed executor or administrator of the estate of such
8 annuitant.

9 "Third, if there be no such beneficiary, or executor or
10 administrator, payment may be made, after the expiration
11 of thirty days from the date of the death of the annuitant, to
12 such person or persons as may appear in the judgment of the
13 Civil Service Commission to be legally entitled thereto, and
14 such payment shall be a bar to recovery by any other person.

15 "(g) Where any payment under this Act is to be made
16 to a minor, or to a person mentally incompetent or under
17 other legal disability adjudged by a court of competent juris-
18 diction, such payment may be made to the person who is
19 constituted guardian or other fiduciary by the law of the
20 State of residence of such claimant or is otherwise legally
21 vested with the care of the claimant or his estate: Provided,
22 That where no guardian or other fiduciary of the person
23 under legal disability has been appointed under the laws
24 of the State of residence of the claimant, the Civil Service
25 Commission shall determine the person who is otherwise

1 *legally vested with the care of the claimant or his estate.*

2 “(h) *In case a former employee entitled to the return*
3 *of the amount credited to his individual account shall become*
4 *legally incompetent, the total amount due may be paid to*
5 *a duly appointed guardian or committee of such former em-*
6 *ployee. If the amount of refund due such former employee*
7 *does not exceed \$1,000, and if there has been no demand*
8 *upon the Civil Service Commission by a duly appointed*
9 *guardian or committee, payment may be made, after the*
10 *expiration of thirty days from date of separation from the*
11 *service, to such person or persons, in the discretion of the*
12 *Commission, who may have the care and custody of such*
13 *former employee, and such payment shall be a bar to recovery*
14 *by any other person.*

15 “(i) *Each employee or annuitant to whom this Act*
16 *applies shall, under regulations prescribed by the Civil*
17 *Service Commission, designate a beneficiary or beneficiaries*
18 *to whom shall be paid, upon the death of the employee or*
19 *annuitant any sum remaining to his credit (including any*
20 *accrued annuity) under the provisions of this Act.”*

21 *SEC. 10. The first paragraph of section 13 of the Act*
22 *of May 29, 1930, as amended, is amended to read as follows:*

23 *“Annuities granted under the terms of this Act shall*
24 *accrue monthly and shall be due and payable in monthly*
25 *installments on the first business day of the month following*

1 the month or other period for which the annuity shall have
2 accrued. Payment of all annuities, refunds, and allowances
3 granted hereunder shall be made by checks drawn and issued
4 by the Treasury Department in such form and manner and
5 with such safeguards as shall be prescribed by the Civil
6 Service Commission in accordance with the laws, rules, and
7 regulations governing accounting that may be found ap-
8 plicable to such payments.”

9 SEC. 11. The third paragraph of section 13 of the Act
10 of May 29, 1930, as amended, is amended to read as follows:

11 “An annuity granted for retirement under the pro-
12 visions of section 1 or 2 of this Act shall commence the
13 first day of the month following the date of separation from
14 the service, or on the first day of the month following the
15 month in which salary shall cease provided the employee
16 meets the age and service requirements for retirement at
17 that time, and shall continue during the life of the annuitant.
18 An annuity granted under the provisions of section 6 or 7
19 hereof shall be subject to the limitations specified in said
20 sections.”

21 SEC. 12. Section 14 of the Act of May 29, 1930, as
22 amended is hereby repealed.

23 SEC. 13. Except insofar as amendments made by this
24 Act change rates of interest, such amendments shall not
25 apply to any person subject to the provisions of section 3A

1 of the Act of May 29, 1930, as amended, and the rights and
2 obligations of such person under such Act shall continue as
3 though this Act had not been enacted.

4 SEC. 14. Section 3 (a) of the Act of May 29, 1930, as
5 amended, is amended by adding at the end thereof the
6 following:

7 "Notwithstanding any other provision of this Act, any
8 officer or employee in the legislative branch of the Govern-
9 ment within the classes of officers or employees which were
10 made eligible for the benefits of this Act by the Act of July
11 13, 1937, serving in such position on the effective date of
12 this Act, may give notice of his desire to come within the
13 purview of this Act at any time prior to July 1, 1948."

Passed the House of Representatives July 21, 1947.

Attest:

JOHN ANDREWS,

Clerk.

Passed the Senate with an amendment January 23
(legislative day, January 21), 1948.

Attest:

CARL A. LOEFFLER,

Secretary.

AN ACT

To amend the Civil Service Retirement Act of
May 29, 1930, as amended.

IN THE SENATE OF THE UNITED STATES

JANUARY 23 (legislative day, JANUARY 21), 1948

Ordered to be printed with the amendment of the Senate

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued January 27, 1948
For actions of January 26, 1948
80th-2nd, No. 15

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HIGHLIGHTS: Sen. Capper spoke against meat rationing and price control. Rep. Murray (Wis.) introduced bill to amend price-support program and continue CCC. Rep. Hill criticized grain shipments to Canada. Rep. Lewis said Secretary Anderson's reports on meat were "alarmist".

SENATE

1. ST. LAWRENCE WATERWAY. Began debate on S. J. Res. 111, approving the agreement between the U. S. and Canada regarding the Great Lakes-St. Lawrence Basin with the exception of certain provisions (pp. 531-54).
2. STATION TRANSFERS. Passed as reported S. 1298, to validate payments heretofore made by U. S. disbursing officers for cost of shipping household effects of civilian employees (p. 526).
3. RECLAMATION; ELECTRIFICATION. Passed without amendment S. 1591, to transfer certain transmission lines, etc., in connection with sale of electric energy generated at the Fort Peck Project (p. 523).
4. SUBMARGINAL LANDS. Passed as reported H. R. 3153, to provide for sale or other disposal of certain submarginal lands within Indian reservations (p. 522).
5. MEAT RATIONING; PRICE CONTROL. Sen. Capper, Kans., spoke against meat rationing and price controls and inserted a letter from the Kans. Livestock Association (pp. 520-1).
6. DAYLIGHT SAVING. Sen. McGrath, R. I., gave notice that he will soon move that the Senate consider S. 1481, to authorize the D. C. Commissioners to establish daylight-saving time (pp. 519-20). (Also discussed on p. 528.)

7. INDIAN RESERVATIONS. Sen. Butler, Nebr., inserted an Anchorage Chamber of Commerce resolution favoring S. J. Res. 162, to rescind authority for establishing Indian reservations in Alaska (p. 518).
8. LEGISLATIVE REORGANIZATION. Chairman Aiken of the Expenditures Committee announced that the Committee is to begin hearings on the Legislative Reorganization Act beginning Feb. 2 (p. 517).
9. CALENDAR. Sen. Wherry, Nebr., announced that "it is the intention... to have the calendar called regularly each Monday" (p. 528).
10. RECESSED until Wed., Jan. 28 (p. 558).

HOUSE

11. CIVIL-SERVICE RETIREMENT. Reps. Rees, Stevenson, Butler, Murray (Tenn.), and Lyle were appointed conferees on H. R. 4127, amending the Civil Service Retirement Act (p. 573).
Sen. Flanders was appointed a conferee on this bill, H. R. 4127, in the place of Sen. Taft who resigned from the conference committee (p. 519).
12. GRAIN EXPORT. Rep. Hill, Colo., read figures from the Times-Herald on grain exports to Canada in 1946 and 1947, and stated, "It is about time the American people began to understand who is getting this grain and where it is going" (pp. 566-7).
13. OLEOMARGARINE. Rep. Dingell, Mich., spoke in favor of repealing taxes on oleomargarine (p. 573).
14. PERSONNEL. Rep. Devitt, Minn., spoke in favor of raising the \$10,000 salary limitation for Government employees (p. 568).
15. FLOOD CONTROL; ELECTRIFICATION. Rep. Welch, Calif., spoke in favor of flood control and electrification works as a means of relieving the water and power shortages in Calif. (p. 564-5).
16. STRATEGIC MATERIALS. Received from the Munitions Board a report on stock piling activities between July 1 and Dec. 31, 1947 (p. 602).
17. FARM PROGRAM. Rep. Bulwinkle, N.C., inserted a comparison of points in the President's recent state-of-the-union message and the Republican platform, 1944, including items on price supports, crop insurance, farm cooperatives, rural electrification, etc. (pp. 597-600).
18. EDUCATION. Rep. Johnson, Okla., spoke in favor of Federal aid for education (pp. 570-1).
19. TRANSPORTATION. Rep. Rankin, Miss., spoke in favor of early development of the Tennessee-Tombigbee inland waterway (pp. 572-3).
Received from the President a recommendation that the Congress enact legislation authorizing the agreement between the U. S. and Canada for the development of the Great-Lakes-St. Lawrence seaway and power project (H. Doc. 509) (p. 602).
20. HOUSING. Received the annual report of the Federal Home Loan Bank Administration (H. Doc. 508) (p. 602).

by its title, and referred to the Committee on Labor and Public Welfare.

Mr. THOMAS of Utah. Mr. President, in introducing this bill to amend the Fair Labor Standards Act, I am not merely carrying out a routine legislative function. The Fair Labor Standards Act is a cornerstone of the social legislation for which Americans have fought for generations, and it occupies a special place in our history.

The principle behind the wage-hour law was stated by President Franklin D. Roosevelt in his message to the Congress on May 24, 1937. He said:

A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages, or stretching workers' hours.

When, Congress, almost 10 years ago, enacted the Fair Labor Standards Act, the representatives of all the people agreed for the first time in our history that there would be at least a bare minimum which a man must be paid for his work. They defined a general maximum working week and provided that work in excess of that maximum receive special compensation.

Today, the act is still on the books, but its purpose has been to a great degree negated. The passage of years, a war, and resulting inflation have combined to render the 40-cent minimum completely meaningless. Those 40 cents today will buy barely half as much food as they did when the law was passed. And over half of our working population is still excluded from the benefits of the act.

The time is long overdue for action to change this law from a historical landmark to a living reality. Wage-hour legislation was originally conceived as a continuous and expanding process. Standards set up were to be extended and improved to match the growth of the Nation. President Roosevelt said, and the Congress then agreed, that we must "take further action to extend the frontiers of social progress" for the benefit of those "who toil in factory and on farm." And it was recognized that the rudimentary standards set up in the act were but a first step.

We have hesitated and we have allowed the minimum wage to be slashed by inflation. To maintain the wage-hour law we must again make it meaningful. In the amendments I am introducing, I have sought to take the next steps in the continuous process by which we will approach not merely bare minimum standards but fair standards.

The bill I am proposing would amend the Fair Labor Standards Act in a number of principal respects:

First. It would raise the minimum wage to 75 cents an hour 120 days after its enactment. It would again put into operation the procedure of the original act whereby industry committees composed of industry, labor, and the public may raise the wage to \$1 an hour where this is found feasible. The special procedure for determining wages in Puerto Rico and the Virgin Islands are not changed.

Second. It would broaden the coverage of the minimum wage and overtime

provisions by extending these provisions to workers engaged in any activity affecting interstate or foreign commerce. The exemption for employees in retail selling and servicing enterprises is narrowed so that it would not apply to employees in chain stores or department stores. Seamen are granted protection under both the wage-and-hour provisions. Industries processing agricultural or horticultural commodities or fish are covered by the minimum wage and overtime provisions. Both the seasonal industry exemption and the unworkable area-of-production exemption provisions have been deleted. Employees of motor carriers are covered by the overtime-pay provisions; unless, at the time the work was performed, the Interstate Commerce Commission had set qualifications and maximum hours of service for the covered occupation. The newspaper exemption is the same as in the present act. The telephone-operator exemption is removed so that switchboard operators of all exchanges will be covered by the minimum-wage and overtime provisions. The agriculture exemption is narrowed so that workers on large, industrialized farms—those regularly employing eight or more, not including the children of the farmer—will have the protection of the wage provisions of the act.

Third. It would abolish the exploitation of children in industry and industrialized agriculture. It would do this by directly prohibiting the employment of children in commerce or in the production of goods for commerce and by narrowing the agricultural exemption to the child-labor provisions so that this exemption would not apply to children in industrialized agriculture; that is, to children employed on farms with more than eight employees. I deem it a matter of national shame that we have for so long permitted the narrow coverage of section 12 in the present act to limit the so-called prohibition of child labor to service performed in and about plants producing goods for interstate commerce. By interpretation this has been held to exclude from protection of the act thousands of minors who need and are entitled to such protection. Now the weakest and most necessitous wage earners will be given protection equivalent to the protection which has, for 10 years, been given adults under this act.

Fourth. The definition of "wage" in section 3 (m) is changed to exclude the cost of food and lodging in the calculation of minimum wages for seamen and dining-car employees. This amendment is necessary in order to assure an adequate minimum wage for a group of employees who have no choice in the acceptance of certain subsistence facilities.

I recommend these amendments with the same pride and spirit which I felt when I came before this body years ago in recommending the original Fair Labor Standards Act. It is with a full understanding and thankfulness for the good that has come for the thousands and thousands of people who have benefited by this act that I urge this body to give serious consideration to these proposals which would take us another step toward

assuring a secure and full life for our millions of working people.

REDUCTION IN INCOME-TAX PAYMENTS—AMENDMENT

Mr. MAYBANK. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes. The language of the amendment I am submitting is the same as that used by me in an amendment I submitted to the tax bill in 1944.

The ACTING PRESIDENT pro tempore. The amendment will be received, referred to the Committee on Finance, and printed.

CIVIL SERVICE RETIREMENT BENEFITS—RESIGNATION OF MR. TAFT AS CONFeree

Mr. TAFT. Mr. President, it has been called to my attention that it appears in the RECORD of the 23d instant that I was appointed a conferee on the part of the Senate on House bill 4127, to amend the Civil Service Retirement Act of May 29, 1930, as amended. I ask unanimous consent that I be relieved from service on the conference committee. I am not a member of the Committee on Post Office and Civil Service, and I do not think it is a wise precedent to go outside the membership of committees sponsoring bills in the appointment of conferees.

The ACTING PRESIDENT pro tempore. The Senator's resignation is noted.

Subsequently, Mr. FLANDERS was appointed a conferee on the part of the Senate on the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, in place of Mr. TAFT, resigned.

TIVOLI BREWING CO.—INDEFINITE POSTPONEMENT OF A BILL

Mr. WILEY. Mr. President, during a previous call of the calendar I moved for the indefinite postponement of Senate bill 651, a bill for the relief of the Tivoli Brewing Co. It is my information from the clerk of the Committee on the Judiciary that the subject matter of the bill has been settled by a Government department, and the Senator from Michigan is agreeable to having it indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, the bill is indefinitely postponed.

ABBOT LOW MOFFAT—INDEFINITE POSTPONEMENT OF A BILL

Mr. IVES. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of Senate bill 1336 for the relief of Abbot Low Moffat, introduced by me on May 26, 1947, and that it be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DAYLIGHT SAVING FOR THE DISTRICT OF COLUMBIA

Mr. McGRATH. Mr. President, I should like to give notice that at an appropriate time, either today or as soon after today as it may be in order, I shall

move to have the Senate proceed to the consideration of Senate bill 1481, Calendar No. 485, to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, January 26, 1948, he presented to the President of the United States the following enrolled bills:

- S. 84. An act for the relief of Mrs. Clinton R. Sharp;
- S. 99. An act for the relief of John T. Hollandsworth, Jr.;
- S. 136. An act for the relief of Ioannis Stephanes;
- S. 166. An act for the relief of Anna M. Kinat (Mrs. John P. Taylor);
- S. 167. An act for the relief of Mrs. Yoneko Nakazawa;
- S. 185. An act for the relief of Thomas Abadia;
- S. 186. An act for the relief of Santlago Naveran;
- S. 187. An act for the relief of Antonio Arguinoulis;
- S. 189. An act for the relief of Simon Fermin Ibarra;
- S. 190. An act for the relief of Pedro Ugalde;
- S. 191. An act for the relief of Julian Uriarte;
- S. 192. An act for the relief of Juan Llona;
- S. 258. An act for the relief of Troy Charles Davis, Jr.;
- S. 298. An act for the relief of certain Basque allens;
- S. 339. An act for the relief of Lucy Jefferson Weil;
- S. 351. An act for the relief of Belmont Properties Corp.;
- S. 929. An act to amend section 2 of the act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes, approved March 3, 1883 (22 Stat. 564);
- S. 944. An act for the relief of Oran Curry;
- S. 957. An act for the relief of Col. William J. Kennard;
- S. 1020. An act to amend the Philippine Rehabilitation Act of 1946, as amended;
- S. 1039. An act for the relief of Ada B. Foss;
- S. 1043. An act for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y.;
- S. 1324. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; and
- S. 1579. An act for the relief of Damian Gandlaga.

PEACE ON EARTH—ADDRESS BY ARTHUR GAETH

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an address on the subject, Peace on Earth, broadcast December 24, 1947, by Mr. Arthur Gaeth, which appears in the Appendix.]

APPOINTMENT AND INSTALLATION OF ARCHBISHOP O'BOYLE

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement by Archbishop O'Boyle to the people and an excerpt from his installation address, as reported in the Catholic Review, which appear in the Appendix.]

EUROPEAN AID PROGRAM—EDITORIAL FROM JOPLIN (MO.) GLOBE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Would You Vote the Bonds?", published in the Joplin (Mo.) Globe of January 22, 1948, which appears in the Appendix.]

THE HOME OWNERS' LOAN CORPORATION—EDITORIAL FROM THE PAWTUCKET TIMES

[Mr. GREEN asked and obtained leave to have printed in the RECORD an editorial entitled "HOLC Report," published in the Pawtucket (R. I.) Times of January 23, 1948, which appears in the Appendix.]

CONGRESS' MAJOR SURGERY FOR TRUMAN'S BLOATED BUDGET—EDITORIAL FROM THE SAN ANTONIO EXPRESS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an editorial entitled "Congress' Major Surgery for Truman's Bloated Budget," from the San Antonio (Tex.) Express of January 14, 1948, which appears in the Appendix.]

The ACTING PRESIDENT pro tempore. The morning business is closed.

THE CALENDAR

The ACTING PRESIDENT pro tempore. Under the order of the Senate previously entered, it is provided, that on Monday, January 26, 1948, at the conclusion of morning business, the Senate shall proceed to the consideration of bills on the calendar to which there is no objection, beginning with Order No. 863. The clerk will state in order the bills on the calendar.

Mr. WHERRY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	O'Mahoney
Baldwin	Hill	Overton
Barkley	Hoey	Pepper
Brewster	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Russell
Bushfield	Johnston, S. C.	Saltonstall
Butler	Kem	Smith
Byrd	Kilgore	Sparkman
Cain	Knowland	Stennis
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McFarland	Thye
Downey	McGrath	Tobey
Dworshak	McKellar	Tydings
Eaton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Maybank	Wherry
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	O'Connor	
Hayden	O'Daniel	

Mr. WHERRY. I announce that the Senator from Minnesota [Mr. BALL] is absent on official State business.

The Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. FLANDERS], and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate.

The Senator from Ohio [Mr. BRICKER], and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is unavoidably detained.

The Senator from Wyoming [Mr. ROBERTSON] is absent on official business.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The ACTING PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present.

THE PROPOSED RESUMPTION OF MEAT RATIONING AND PRICE CONTROLS

Mr. CAPPER. Mr. President, I ask unanimous consent to make a short statement on the subject of meat rationing and price controls.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Kansas may proceed.

Mr. CAPPER. Mr. President, I ask unanimous consent to have placed in the RECORD a letter I have received from Fred W. Heine, president, and Will J. Miller, secretary-treasurer, of the Kansas Livestock Association, protesting against reimposition of meat rationing and price controls.

While I have the floor, Mr. President, I want to say that I am in thorough agreement with the protest against meat rationing and price controls.

Both these things amount to deceiving the people as to actual facts in the food situation.

Price controls, which sooner or later again would require Government subsidies to secure needed production, deceive consumers as to the actual cost of the goods they buy.

Unless price controls are established all along the line, from prices on the raw materials to the finished product, they cannot be really effective.

Also, unless producers, handlers, and consumers cooperate in observing the controls, the real price of goods will be set in black markets operating more closely to the law of supply and demand. During the war emergency, the patriotic urge to help win the war helped price controls to work after a fashion. But everyone knows that toward the end of wartime controls, black markets set the prices in many lines.

Rationing of meat while other foods are left in a free market will tend to reduce still more the supply of meats available, when what is needed is more production, not less.

Incidentally, rationing can only be justified as an emergency measure when there is a real scarcity of the rationed article, and when only by rationing can such scarce article be made available to consumers in the markets.

Consumers this year, according to all reliable estimates, will have 20 pounds more meat per capita the coming 12 months than they had in the 5-year period before the war, and only about 10 pounds less than last year.

High prices are the effect of continued Government spending, continued high-dollar incomes, and the exports of goods not in surplus supply. Price controls and rationing will simply add to and continue the inflation with a resultant worse collapse when the break does come.

I am opposed to programs calling for price controls and rationing, and wish to join especially in the protest of the Kan-

I hope every Member of the House and Senate will read this table carefully and see what this great project will mean to their people, now and for generations to come.

The SPEAKER. The time of the gentleman from Mississippi has expired.

CIVIL SERVICE RETIREMENT ACT

Mr. REES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4127) entitled "An act to amend the Civil Service Retirement Act of May 29, 1930, as amended," with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. REES, Mr. STEVENSON, Mr. BUTLER, Mr. MURRAY of Tennessee, and Mr. LYLE.

PERMISSION TO ADDRESS THE HOUSE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

REPEALING REPRESSIVE LAWS AGAINST OLEOMARGARINE

Mr. DINGELL. Mr. Speaker, it is evident there is widespread interest in this question affecting the continuance of the iniquitous tax on oleomargarine. It is really not a revenue provision; it is a repressive measure intended not only to injure but to deliberately put out of business a legitimate industry which manufactures the wholesome edible product known as oleomargarine.

On tomorrow morning in executive session I intend to present before the Committee on Ways and Means in connection with the tax bill an amendment to repeal all Federal excise taxes levied upon oleomargarine. If the interest of this House is what I think it is and what it ought to be, you will immediately get in touch with your member on the Committee on Ways and Means and ask his support of my proposal, which will once and for all wipe out what should never have been on the statute books of the Federal Government.

The SPEAKER. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

EXTENSION OF REMARKS

Mr. HOEVEN asked and was given permission to extend his remarks in the Record in two instances and include in each certain clippings.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—BEN W. COLBURN (H. DOC. NO. 511)

The SPEAKER laid before the House the following veto message from the

President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith, without my approval, H. R. 645, a bill "for the relief of Ben W. Colburn."

It is the purpose of the bill to pay the sum of \$4,529.55 to Ben W. Colburn, of Tulare, Calif., by reason of losses alleged to have been sustained by him in connection with the purchase of certain smoke generators from the Treasury Department under contracts dated May 12, 1944.

It appears that Mr. Colburn purchased a total of 7,417 smoke generators under two sales contracts for a total contract price of \$7,529.55; that the smoke generators were located at Fort Hahn, Calif., and San Diego, Calif.; that bids on this commodity were invited on the basis of "as is, where is," without recourse; that the description of the generators was based on the best available information, but no warranty, written or oral, was given or authorized by the Treasury Department as to the exact quantity, quality, condition, size, or description of the property, or that it was in condition to be used for the purpose for which it was originally intended.

It appears, moreover, that Mr. Colburn, in reliance on a private report as to condition of the generators failed to avail himself of an opportunity to inspect the property offered for sale. Since he did not avail himself of the opportunity offered for inspection of the property prior to entering into the contracts but relied on a report of a third party as to the condition of the property, there appears to be no legal or equitable basis for charging the Government with the consequences of his negligence. So far as concerns the condition of surplus goods offered for sale by the Government on an "as is, where is" basis without warranty or guaranty of any kind, the law is clear that a bidder who fails to take advantage of an opportunity to inspect cannot subsequently recover on the ground that the goods are of an inferior quality.

In view of the facts and circumstances as set forth above, and since the bill selects a single purchaser of surplus property for special treatment by directing the payment to him of a refund denied to others, all others similarly situated being discriminated against, there appear to be no circumstances which would warrant the granting of the relief authorized by this bill. I am therefore constrained to withhold my approval of the measure.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 24, 1948.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the message, together with the bill to which it relates, will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—OSCAR AND ANNA CARLBLOM (H. DOC. NO. 510)

The SPEAKER laid before the House the following message from the President of the United States, which read:

To the House of Representatives:

I return herewith, without my approval, H. R. 3754, entitled "An act for the relief of Oscar and Anna Carlblom."

The bill authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$32, or such other sums as he has, or may hereafter, collect from Oscar and Anna Carlblom of Lisbon, N. Dak., as income tax for the calendar year beginning January 1, 1944, and ending January 1, 1945. The bill asserts that for the stated taxable year the taxpayers had no net income that was subject to taxation, their total net income being \$489.96.

An examination of the records indicates that the parties to whom relief is afforded by the bill filed Form W-2 (Rev.) as their income-tax return for the calendar year 1944. The filing of Form W-2 (Rev.) constitutes, under the law, an irrevocable election to take the optional standard deduction, and, accordingly, the Commissioner of Internal Revenue is without authority to permit a change once the election has been made. The record in this case further shows that even if the taxpayers could have been allowed to file a Form 1040, itemizing deductions, only part of the tax paid could have been refunded since a part of certain deductions which the taxpayers proposed to itemize would not have been allowable under the law in any event.

The Congress has specifically provided that the election to take or not to take, the optional standard deduction shall be irrevocable. The granting of the proposed relief would constitute a discrimination against many similarly situated taxpayers and would set an undesirable precedent.

HARRY S. TRUMAN.

THE WHITE HOUSE, January 26, 1948.

The SPEAKER. The objection of the President will be spread at large upon the Journal.

Without objection, the message, together with the bill to which it relates, will be referred to the Committee on the Judiciary and ordered printed.

There was no objection.

AMENDING THE TRADING WITH THE ENEMY ACT

Mr. WADSWORTH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 431, providing for the consideration of H. R. 4044, a bill to amend the Trading with the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 4044) to amend the Trading with the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WADSWORTH. Mr. Speaker, I do not intend to consume any considerable period of time in presenting this rule. I realize, of course, that the gentleman from Illinois is entitled to 30 minutes, which I yield to him at this time.

Mr. Speaker, H. R. 4044 has been reported from the Committee on Interstate and Foreign Commerce. As announced by the Clerk, it is a bill looking toward amending the Trading with the Enemy Act.

The bill is divided into three titles. The first title is highly important, and with the possible exception of a committee amendment, which will be open for discussion when the bill is read for amendment, is intended to make the policy of the United States with respect to the treatment of enemy-alien property conform with agreements already reached between the Allied Powers with respect to such property found within their respective borders and certain other agreements relating to enemy-alien property found within neutral countries at the termination of the recent war.

Title II of the bill provides for the creation, temporarily, of a commission to study a very difficult and complex problem; that is the proper procedure by which the Government of the United States, including the Congress of the United States, may proceed to accomplish a solution in accordance with sound policy of the claims of American citizens against enemy countries and nationals.

The third title relates to the extension of certain relief to American citizens, nonmilitary, who suffered fearful punishment and torture in certain detention camps maintained in American territory by the Japanese during the recent war, American civilians who were caught as it were in the Philippines, on the island of Midway, and at Wake, and perhaps one or two other places.

That in brief is a recital of the general purposes of the bill. I do not intend to discuss it in detail, believing, as I do, that the members of the Committee on Interstate and Foreign Commerce who have studied this for a good many months are far better equipped to do so than I am.

Mr. SABATH. Mr. Speaker, I yield my time to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am not opposing the adoption of the pending rules resolution, but I do wish to direct attention to title I of the bill, consideration of which House Resolution 431 makes in order.

The gentleman from New York [Mr. WADSWORTH] has told you what the bill contains. I regret that he did not elaborate his views upon title I. I have the feeling, Mr. Speaker, that the policy laid down in title I is a policy for which this Congress can take little credit. It is an abandonment of a policy heretofore followed by civilized nations with respect to the property of nationals of enemy countries. Hurriedly looking over the report which the Committee on Interstate and Foreign Commerce filed on the bill, I find a statement to the effect that title I violates no international understanding of what constitutes good morals. I hope this is so. Mr. Speaker, we are at this moment practically endeavoring to win the favor of all the peoples of the world. We are spending billions of dollars to carry the impression to other peoples that we are just and fair. We are doing this because we desperately need their support. We are in greater need of this support than our people have been told or that is understood. I do not believe that the amount of property that this Government would acquire through the confiscation of enemy alien property as this bill provides will compensate us for the damage that it may do.

The other provisions of the bill, of course, are entirely satisfactory to me, and I take it that this House will adopt the bill as a whole. But I would call attention to studious and serious-minded Members of this body, interested in the protection of the good name of our country, to see if title I cannot be so framed as would insure that the bill be not left in such shape as to have it characterized as legalized robbery. I know that under the existing state of public feeling, it is difficult to sustain the position that I suggest, but nevertheless I do have these misgivings. We are here proposing to take the property of aliens, nationals of enemy countries, which represents investments made in this country, in thousands of instances upon the invitation of our country, and we are going to confiscate that property and cover it into the Treasury of this country for no reason in the world other than that owners happen to be nationals of alien countries. Many perfectly innocent people will, under the bill, lose their all.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from California.

Mr. GEARHART. I appreciate the concern the distinguished gentleman from Georgia feels, but I cannot agree with him that the procedure suggested in section 1 is at all out of line with precedent, nor can I agree with him that

it marks a change in American attitude toward the properties of enemy aliens.

Mr. COX. Certainly, it is a complete reversal of the policy we pursued following the late war.

Mr. GEARHART. I understand that Professor Borchard in some of his writings made statements in line with the gentleman's contention, but eminent international lawyers of just as great repute challenge his statements, and they are borne out by the fact that the Versailles Treaty, which was signed by all the countries involved in World War I, contained just such a provision; and, although the United States did not sign it, we did later sign a treaty with Germany, known as the Treaty of Berlin, and in that treaty some provision was carried and was partially executed, until another scheme was entered upon later, which resulted in our losing 20 percent of the German assets and in \$100,000,000 of American claims going unsatisfied.

Mr. COX. I am not disposed to combat the position the gentleman takes. He may be right. I would, however, like very much if the gentleman from New York [Mr. WADSWORTH] would find it agreeable to elaborate upon the statement he made, which was that title I is in keeping with an understanding formally arrived at by the Allied countries in the late war.

Mr. WADSWORTH. Mr. Speaker, may I quote from a letter which was addressed to the gentleman from California [Mr. HINSHAW] by the State Department, in which there is quoted the language of certain agreements made between the Allied Powers during this recent war. For example, article 6 (A) of the final act of the Paris Conference on Reparations for Germany, to which this and 17 other governments are signatory, provides as follows:

Each signatory government shall, under such procedures as it may choose, hold or dispose of German enemy assets within its jurisdiction in manners designed to preclude their return to German ownership or control and shall charge against its reparation share such assets.

May I call the attention of the gentleman to that language, "to preclude their return to German ownership or control and shall charge against its reparation share such assets."

Mr. COX. In spite of the fact that it is my profound conviction that the agreement is in violation of good morals, I withdraw even such suggestion of opposition as may have been carried in the remarks I made.

Mr. WADSWORTH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, there are other documents which bear upon this situation and which defend the bill most definitely. It was stipulated in one of those agreements that Germany undertakes to compensate her nationals with respect to the detention or sale of their property rights or interests in allied or associated states.

The government assumes the duty to reimburse its nationals for loss due to its own action in waging war. It has become perfectly apparent, Mr. Speaker,

CIVIL SERVICE RETIREMENT ACT

FEBRUARY 12, 1948.—Ordered to be printed

Mr. REES, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 4127]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:*

“SEC. 1. (a) *Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.*

“(b) *Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.*

“(c) *Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or*

employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

"(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years."

SEC. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed fifteen years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: Provided, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: Provided, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: Provided further, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the Act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

(b) Section 3 (a) of the Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948."

SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: Provided, That in no case shall the annuity exceed an amount equal to 80 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

"(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

"(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term 'basic salary, pay, or compensation', wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: Provided, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed as provided in section 5 of this Act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: Provided, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner

specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age sixty and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1' (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-

two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

"(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

"(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service."

SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: Provided, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted."

SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947 and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the 'civil-service retirement and disability fund' a sum equal to 2½ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per

centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: Provided, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: Provided, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of \$7 for each \$100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity pur-

chased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (c)."

SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the 'civil-service retirement and disability fund' created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: Provided, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

"(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: Provided, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or attainment of age 50. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant

was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

“(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

“(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.”

“(d) As used in this section—

“(1) The term ‘widow’ means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

“(2) The term ‘child’ means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

“(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

“(e) In any case in which—

“(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

"(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established, the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(g) In any case in which—

"(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (e) of this section, or

"(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

"(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate, before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the

service of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the duly appointed executor or administrator of the estate of such person;

"Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: Provided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act."

SEC. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

SEC. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall

continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

SEC. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

SEC. 15. Except as otherwise provided herein, this Act shall become effective on the first day of the second month following the month of approval.

And the Senate agree to the same.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,

Managers on the Part of the House.

WILLIAM LANGER,
RAYMOND BALDWIN,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

Except for the differences noted in the following statement, the conference substitute is substantially the same as the House bill.

Under subsection (b) of section 1 of the House bill the annuity of an officer or employee retiring voluntarily between the ages of 55 and 60 after 30 years of service would be reduced by one-half of 1 percent for each month such officer or employee is under the age of 60. The Senate amendment did not change existing law which provides that the reduction in such cases shall be determined on an actuarial basis. The conference agreement provides for a reduction of one-fourth of 1 percent for each month such officer or employee is under the age of 60.

Subsection (c) of section 1 of the House bill provided for retirement of an officer or employee who is involuntarily separated from the service after having rendered at least 25 years of service upon a reduced annuity. Such retirement on reduced annuity was also made available under the House bill to an officer or employee with 25 years of service who accepts a position with a lower rate of basic compensation after having been involuntarily separated from a position with higher rate of basic compensation and thereafter leaves the service voluntarily. The conference agreement eliminates the portion of subsection (c) providing for retirement benefits for an officer or employee who is voluntarily separated after having accepted a position with a lower rate of basic compensation.

Section 1 of the House bill did not contain the provision in the present law allowing certain officers and employees of the Federal Bureau of Investigation who render 20 years of service and attain age 50 to retire on annuity. The Senate amendment did not change existing law. The conference agreement provides for continuing the retirement benefits contained in existing law with respect to such officers and employees.

Under subsection (a) of section 4 of the House bill, which relates to the computation of annuities, credit is allowed covering periods of service with respect to which refunds have been received and have not been redeposited, and for past service with respect to which no deductions were withheld from salary and no deposit made. However, the annuity with respect to such periods would be computed by multiplying the product of the 5-year average salary and the years of service by 1 percent rather than by 1½ percent as in the case of service for which full contribution or deposit has been made. The conference agreement eliminates this provision from section 4, and provides (in

secs. 7 and 12) that no credit may be allowed for any period of service with respect to which a refund has been made, unless the employee redeposits the amount refunded together with interest. Credit would be allowed, under the conference agreement (sec. 9), for past service rendered in positions not within the purview of the act, but in any case in which deposit is not made for such service in an amount equal to the deductions which would have been withheld from salary had the employee been subject to the act, plus interest, the annuity will be reduced by an amount equal to 10 percent of the amount owed.

Section 4 (a) of the House bill provided that in no case should the annuity computed thereunder exceed 90 percent of the highest average annual compensation received by the officer or employee during five consecutive years of allowable service. The conference agreement provides that such annuity shall not exceed an amount equal to 80 percent of such 5-year average.

Subsection (b) of section 4 of the House bill provided that an officer or employee, if a husband, retiring under the provisions of sections 1, 2, or 6 of the act may at the time of his retirement elect to receive a reduced annuity equal to 90 percent of the life annuity to which he would have otherwise been entitled, with an annuity after his death payable to his widow. The conference agreement retains this provision but provides that the husband's annuity will be further reduced by three-fourths of 1 percent for each full year, if any, his wife is under age 60 at the date of his retirement. No annuity, however, would be reduced by more than 25 percent. Under the House bill, the widow's annuity would begin at age 60 and would terminate upon her death. The conference agreement permits payment of the widow's annuity at age 50 but provides that such annuity or right thereto will terminate upon the widow's remarriage as well as upon her death. Also, under the House bill, only a widow who had been married to the annuitant for the last 5 years preceding his death or who is the mother of issue by the marriage would be eligible for an annuity under this section. The conference agreement eliminates this qualification and requires only that the widow be unremarried.

Subsection (c) of section 4 of the House bill provided that any officer or employee retiring under section 1 or 2 might, upon a showing of good health, elect to take a reduction in his annuity of from 10 to 40 percent, depending upon the difference between his age and that of his designated survivor, with an annuity after his death to such survivor. The conference agreement retains this provision but provides that such election will be available only to unmarried officers and employees, and that only persons having an insurable interest in the life of the officer or employee may be designated as survivor beneficiaries. Provision is also made in the conference agreement to prevent survivors from simultaneously receiving annuity under this subsection and section 12 (c).

Section 7 of the House bill provided that employees separated from the service with 5 or more years of civilian service would be eligible for a deferred annuity beginning at age 62, but that any such employee who had not more than 10 years of service could elect to receive in lieu thereof a refund of his contributions with interest. Upon re-employment in a position under the act an employee who elected to take a refund would be required to deposit the amount of the refund, without interest, in order to get full credit for the service covered by the refund. As indicated in the discussion of the provisions of section

4 an employee who took a refund, who was reemployed, and who failed to redeposit the refund would nevertheless receive partial credit for the service covered by the refund. The conference agreement modifies this section in the following respects: First, the option to take a refund is extended to employees who have had not more than 20 years of allowable civilian service. Second, employees who take a refund will receive no credit whatsoever for the service covered by the refund unless they become reemployed in a position under the act and redeposit all amounts so refunded with interest covering periods of employment.

Under section 8 of the House bill the annuities of employees who are separated prior to the effective date of the bill, and who have deferred annuity rights but who have not yet reached the age at which their annuities will become payable, would be computed under the new formula contained in section 4 except that if the employee was involuntarily separated and elected to take a reduced annuity beginning at age 55, the reduction would be figured on an actuarial basis as is the case under existing law. Under the conference agreement the right to annuity and the computation thereof would be governed entirely by existing law.

Section 9 of the House bill permits employees who have rendered past service in positions not covered by the act to make deposits, without interest, for such service and thereby to obtain full credit therefor for the purposes of their annuity computation. As pointed out in the explanation of section 4, credit was given on a reduced basis even where no such deposit was made. Under the conference agreement deposits to obtain full credit must be accompanied by interest covering periods of employment. And, as explained in the discussion of section 4, the reduction in annuity will be computed on a different basis from that provided in the House bill, the amount of the reduction under the conference agreement being 10 percent of the amount of the unpaid deposit and interest.

Section 10 of the House bill increased the rate of deductions from the compensation of employees under the act from 5 to 6 percent, effective as of the first day of the first pay period in 1948. The conference agreement changes the effective date of the increase to the first day of the first pay period beginning after June 30, 1948.

Provisions were contained in section 10 of the House bill setting forth the specific amounts of annuity purchasable with voluntary contributions in the case of persons under the age of 60, persons aged 60 to 65, and persons aged 65 to 70. The conference agreement substitutes a formula for arriving at the amount purchasable at each age. The formula provides that the amount of life annuity purchasable with each \$100 would be \$7 increased by 20 cents for each year, if any, the employee is over age 55 at retirement.

Section 11 of the House bill proposed to amend section 12 of the Retirement Act so as to provide for payment of certain annuity benefits to widows of deceased employees and widows of employees hereafter retiring. In the case of widows of active employees dying after more than 5 years of civilian service, annuities would be payable in all cases beginning at age 60, except that, if the employee also leaves a surviving unmarried child or children under the age of 18, the widow's annuity would become payable immediately upon the death of the employee. In the latter case the widow's annuity would terminate if the children reached 18 or were married prior to the

widow's attainment of age 60, but would be resumed when she attained that age. The widow of a retired employee would be entitled to an annuity under this section only if the employee also left a surviving child, and the annuity would terminate upon the child's reaching age 18, the marriage of the child, or the widow's attainment of age 60, whichever first occurs.

The conference agreement retains the provisions of the House bill relating to widows' annuities, but provides that the annuities in cases where there are no children will commence at age 50 rather than age 60. Under the conference agreement the annuity of the widow of an employee dying in service would terminate only upon death or remarriage. The annuity of the widow of an annuitant would terminate not only upon death or remarriage, but also upon attainment of age 50. In addition the conference agreement provides annuities for unmarried children under 18 of deceased annuitants and employees. Where the widow also survives, the annuity of each child would be equal to 50 percent of the annuity to which the widow is entitled, but not to exceed \$360, or \$900 divided by the number of children, whichever is less. Where both parents are deceased a child's annuity would be equal to the annuity to which the widow would have been entitled had she survived, but not to exceed \$480, or \$1,200 divided by the number of children, whichever is less. The annuity of a child would terminate upon his attainment of age 18, his marriage, or his death, whichever first occurs, except that in the case of a disabled dependent child the annuity will not be terminated on account of age.

The House bill limited widows' benefits in cases where there are no children to surviving wives who are married to the employee at least 5 years prior to his death. The conference agreement requires marriage of only 2 years.

The House bill provided that upon the death of an officer or employee the amounts deducted from his salary should be returned to his beneficiary or estate, with interest if there are no survivors entitled to annuity based upon the service of the officer or employee, and without interest if there are such survivors. Provision was also made for returning amounts remaining to the credit of a retired employee who dies without having received in annuity payments an amount equal to his deductions from salary with interest to date of retirement. Under the conference agreement refunds would be made only after all rights to survivor annuity based upon the service of an officer or employee shall have terminated, and only if the amount to the credit of the individual account of the officer or employee, plus interest, exceeded the total amount paid in annuities based upon his service.

The House bill provided that its provisions should take effect generally on the first day of the fourth month following the month in which enacted. The conference agreement advances the effective date to the first day of the second month following the month in which enacted. The provisions relating to death benefits, however, are made effective upon the date of enactment.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,

Managers on the part of the House.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued February 13, 1948
For actions of February 12, 1948
80th-2nd, No. 26

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HIGHLIGHTS: House received President's veto message on bill providing for disposal of certain submarginal lands. Reps. Robertson and Vursell blamed administration for drop in wheat prices. Conference submitted report on civil-service retirement bill. Rep. Pace refuted charges that farmers are discouraging production to hold up prices. Rep. Murray (Wis.) opposed oleo-tax repeal. Rep. Eberharter opposed farm-cooperative taxes.

HOUSE

1. SUBMARGINAL LANDS. Received from the President a veto message on H. R. 3153, to provide for the sale or other disposal of certain submarginal lands located within Indian reservations in Mont., N. Dak., and S. Dak. (H. Doc. 527); to Public Lands Committee (pp. 1320-1).
2. WHEAT PRICES. Rep. Robertson, N. Dak., blamed the administration, and particularly the Secretary of Agriculture, for the drop in wheat prices and charged "that this panic has been created for...political reasons" (pp. 1330-1).
Rep. Vursell, Ill., claimed the "crash of farm commodity prices...is the result of the administration...playing...the greatest gambler" (pp. 1335-6).
3. FARM PRODUCTION AND PRICES. Rep. Pace, Ga., refuted charges that farmers are holding down output to keep prices high, and said, "The union leaders should stop demanding a high industrial wage and cheap food" (pp. 1337-9).
Several members commended Rep. Pace's work (pp. 1339, 1336, 1334).
4. CIVIL-SERVICE RETIREMENT. Received the conference report on H. R. 4127, to amend the Civil Service Retirement Act (pp. 1321-6).
5. ELECTRIFICATION. Rep. Welch, Calif., inserted Interior Department's letter regarding consumption of oil in generation of electricity in hydroelectric areas (p. 1332).
6. FARM COOPERATIVES; TAXATION. Rep. Eberharter, Pa., criticized the Ways and Means Committee hearings and report on taxation of farm cooperatives and opposed such taxes (pp. 1339-41).
7. GRAIN ALLOCATIONS. The Joint Committee on the Economic Report submitted a report on allocation and inventory control of grain for the production of ethyl alcohol (H. Rept. 1371) (p. 1347).

8. CLAIMS. Received from this Department a report of the settlement of claims in excess of \$1,000. To Agriculture Committee. (p. 1347.)
9. LANDS. The Public Lands Committee reported with an amendment S. 1698, to define the exterior boundary of the Uintah and Ouray Indian Reservation (H.Rept.1372) (p. 1347).
The Public Lands Committee reported without amendment H.R. 5049, to reopen the revested O&C Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws. (H. Rept. 1373) (p. 1347).
10. FERTILIZERS. Received a S. C. Legislature memorial urging assurance of an adequate nitrate and fertilizer supply for S.C. farmers for 1948. (p. 1348).
11. ADJOURNED until Mon., Feb. 16. (p. 1347).

SENATE

NOT IN SESSION. Next meeting Fri., Feb. 13.

BILLS INTRODUCED

12. FATS AND OILS. H.R. 5348, by Rep. Colmer, Miss., to amend the Act of 1938 to provide parity for tung nuts. To Agriculture Committee. (p. 1347.)
H.R. 5350, by Rep. Colmer, Miss., to impose a duty on tung oil. To Ways and Means Committee. (p. 1347.)
13. FOREIGN AID. H.R. 5351, by Rep. Devitt, Minn., to promote the general welfare, the national interest, and the foreign policy of the U.S. by encouraging the giving of aid to the peoples of certain foreign countries. To Ways and Means Committee. (p. 1347.)
14. PUBLIC DEBT. H.R. 5352, by Rep. Fisher, Tex., for the retirement of the public debt. To Ways and Means Committee. (p. 1347.)
15. FLOOD CONTROL. H.R. 5346, by Rep. Bland, Va., to provide for a preliminary examination and survey of Assateague Channel and Smaller's Drain, Accomac County, Va. To Public Works Committee. (p. 1347.)
H.R. 5354, by Rep. Hagen, Minn., to authorize a further preliminary examination and a new survey of the following streams, which are tributaries to the Red River of the North: Snake River, Middle River (tributary to Snake River), Tamarac River, and Two Rivers (including North, South, and Middle Branches), Big Joe and Little Joe Rivers, in Minn., for flood control, for run-off and water-flow retardation, and soil-erosion prevention. To Public Works Committee. (p. 1347.)
16. OLEOMARGARINE TAXES. H.R. 5347, by Rep. Boggs, La., repealing certain taxes with respect to oleomargarine. To Agriculture Committee. (p. 1347.)
17. EXECUTIVE ORGANIZATION; TAXATION. H.R. 5369, by Rep. Latham, N.Y., to establish a Commission on Tax Coordination in the U.S. To Ways and Means Committee. (p. 1347.)
18. RECLAMATION. H.R. 5377, by Rep. Miller, Nebr., authorizing the execution of an amendatory repayment contract with the Northport irrigation district. To Public Lands Committee. (p. 1348.)
19. TRANSPORTATION. H.J.Res. 325, by Rep. Bradley, Calif., to continue until July 1,

used only under carefully worked out conservation programs might be disposed of without the imposition of necessary safeguards against mal-use and deterioration. The inevitable tendency would be to invite the plowing of lands which should be used only for grazing, the destruction of grass through overgrazing, and the resumption of other bad land-use practices. Such practices would, in turn, tend to produce the same conditions of soil depletion and accelerated erosion, and the same subdivision of ranch lands into unstable farm units, which were basic causes of the agricultural distress that beset the people of Montana, North Dakota, and South Dakota, as well as of other States, during the period immediately prior to the acquisition of the submarginal lands.

We cannot prevent the recurrence of drought cycles, but we should not disregard their lessons. We should not reverse, even to the limited extent inherent in H. R. 3153, the policy of protecting submarginal lands against abuse, born out of the experience of the last great drought cycle, merely because a wet cycle has intervened. To do so would be to throw away the money spent for the acquisition of the submarginal lands, and to intensify agricultural distress whenever drought reappears.

Third, H. R. 3153 substantially disregards the very real equity which the Indians of the localities where the submarginal lands are situated have in their continued utilization as a part of the otherwise sorely deficient land base of these Indians. While it is true that under the broad discretion conferred on the local disposal committees by the terms of the bill every single acre of these lands could be placed in Indian tribal ownership, it is also true that under the same broad discretion most, if not all, of the tracts involved could be granted by the local committees to non-Indians.

When the submarginal lands affected by H. R. 3153 were acquired, it was definitely contemplated that they would be used to assist the neighboring Indian tribes in consolidating their scattered land holdings, in creating economic range units which would support Indian families, in developing conservational land-use practices, and in establishing a better pattern of Indian land ownership and use. To this end, the Secretary of the Interior in 1938 and 1939 was directed to administer the lands for the benefit of the Indians, insofar as consistent with the uses for which the lands had been acquired. Since that time the Secretary, in cooperation with the tribes concerned, has developed and put into effect programs for the improvement of the Indian economy to which continued Indian use of at least large parts of the submarginal lands is essential. These programs, and the legitimate Indian aspirations founded upon them, would be frustrated by many of the dispositions which could be accomplished under the terms of the bill. To cite but one example, many existing Indian range units are composed in part of Indian-owned lands and in part of federally owned submarginal lands, and in these units the Indian-owned home properties fre-

quently could not be operated except in conjunction with the submarginal lands upon which they are dependent. The bill provides no safeguards for the protection of these established operations other than the judgment of the local disposal committees.

Thus, H. R. 3153 would open the door to disruption of the Indian economy built up, at no little labor and expense, in reliance upon the continued availability for Indian use of many of the areas covered by the bill. In addition, it would deny the Indians any immediate recompense for this disruption, since it provides that any receipts from the use or sale of the submarginal lands shall be deposited in the Federal Treasury as miscellaneous receipts.

Fourth, a detailed examination of the bill reveals that a number of its provisions are either ambiguous or impracticable. For example, reference is made at various places to "the county in which the major portion of the Indian reservation lies." This reference does not fit several of the reservations involved which are so divided by county lines that no one county contains "the major portion" of the reservation.

For these reasons, I am constrained to withhold by approval from H. R. 3153.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 10, 1948.

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and, without objection, the bill and message will be referred to the Committee on Public Lands and ordered to be printed.

There was no objection.

ADJOURNMENT OVER

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MILLER of Connecticut (at the request of Mr. REED of New York) was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD.

AMENDING CIVIL SERVICE ACT

Mr. REES submitted the following conference report and statement on the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the

following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 1. (a) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.

"(b) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.

"(c) Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

"(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years."

"Sec. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Sec. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed fifteen years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the ap-

pointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be re-determined upon such person's subsequent separation from the service.'

"SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the Act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

"(b) Section 3 (a) of the Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.'

"SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That in no case shall the annuity exceed an amount equal to 80 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

"(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Com-

mission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

"(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.'

"SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.'

"SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed

as provided in section 5 of this Act, and who before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age 60, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age 60 and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

"SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

"(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

"(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service."

"SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as

amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted."

"SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the "civil-service retirement and disability fund" a sum equal to $\frac{1}{2}$ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; $\frac{3}{4}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

"SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed

by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of \$7 for each \$100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity purchased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (e)."

"SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

"(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: *Provided*, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian

service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or attainment of age 50. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed \$900 divided by the number of such children, or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

"(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

"(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"(d) As used in this section—

"(1) The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

"(2) The term "child" means an unmarried child, including a dependent step-child or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

"(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"(e) In any case in which—

"(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

"(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established, the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(g) In any case in which—

"(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (c) of this section, or

"(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

"(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate, before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service

of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the duly appointed executor or administrator of the estate of such person;

"Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act.

"Sec. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

"Sec. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence, the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

"Sec. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

"Sec. 15. Except as otherwise provided herein, this Act shall become effective on

the first day of the second month following the month of approval."

And the Senate agree to the same.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,

Managers on the Part of the House.

WILLIAM LANGER,
RAYMOND BALDWIN,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

Except for the differences noted in the following statement, the conference substitute is substantially the same as the House bill.

Under subsection (b) of section 1 of the House bill the annuity of an officer or employee retiring voluntarily between the ages of 55 and 60 after 30 years of service would be reduced by one-half of 1 percent for each month such officer or employee is under the age of 60. The Senate amendment did not change existing law which provides that the reduction in such cases shall be determined on an actuarial basis. The conference agreement provides for a reduction of one-fourth of 1 percent for each month such officer or employee is under the age of 60.

Subsection (c) of section 1 of the House bill provided for retirement of an officer or employee who is involuntarily separated from the service after having rendered at least 25 years of service upon a reduced annuity. Such retirement on reduced annuity was also made available under the House bill to an officer or employee with 25 years of service who accepts a position with a lower rate of basic compensation after having been involuntarily separated from a position with higher rate of basic compensation and thereafter leaves the service voluntarily. The conference agreement eliminates the portion of subsection (c) providing for retirement benefits for an officer or employee who is voluntarily separated after having accepted a position with a lower rate of basic compensation.

Section 1 of the House bill did not contain the provision in the present law allowing certain officers and employees of the Federal Bureau of Investigation who render 20 years of service and attain age 50 to retire on annuity. The Senate amendment did not change existing law. The conference agreement provides for continuing the retirement benefits contained in existing law with respect to such officers and employees.

Under subsection (a) of section 4 of the House bill, which relates to the computation of annuities, credit is allowed covering periods of service with respect to which refunds have been received and have not been redeposited, and for past service with respect to which no deductions were withheld from salary and no deposit made. However, the annuity with respect to such periods would be computed by multiplying the product of the

5-year average salary and the years of service by 1 percent rather than by 1½ percent as in the case of service for which full contribution or deposit has been made. The conference agreement eliminates this provision from section 4, and provides (in secs. 7 and 12) that no credit may be allowed for any period of service with respect to which a refund has been made, unless the employee redeposits the amount refunded together with interest. Credit would be allowed, under the conference agreement (sec. 9), for past service rendered in positions not within the purview of the act, but in any case in which deposit is not made for such service in an amount equal to the deductions which would have been withheld from salary had the employee been subject to the act, plus interest, the annuity will be reduced by an amount equal to 10 percent of the amount owed.

Section 4 (a) of the House bill provided that in no case should the annuity computed thereunder exceed 90 percent of the highest average annual compensation received by the officer or employee during five consecutive years of allowable service. The conference agreement provides that such annuity shall not exceed an amount equal to 80 percent of such 5-year average.

Subsection (b) of section 4 of the House bill provided that an officer or employee, if a husband, retiring under the provisions of sections 1, 2, or 6 of the act may at the time of his retirement elect to receive a reduced annuity equal to 90 percent of the life annuity to which he would have otherwise been entitled, with an annuity after his death payable to his widow. The conference agreement retains this provision but provides that the husband's annuity will be further reduced by three-fourths of 1 percent for each full year, if any, his wife is under age 60 at the date of his retirement. No annuity, however, would be reduced by more than 25 percent. Under the House bill, the widow's annuity would begin at age 60 and would terminate upon her death. The conference agreement permits payment of the widow's annuity at age 50 but provides that such annuity or right thereto will terminate upon the widow's remarriage as well as upon her death. Also, under the House bill, only a widow who had been married to the annuitant for the last 5 years preceding his death or who is the mother of issue by the marriage would be eligible for an annuity under this section. The conference agreement eliminates this qualification and requires only that the widow be unremarried.

Subsection (c) of section 4 of the House bill provided that any officer or employee retiring under section 1 or 2 might, upon a showing of good health, elect to take a reduction in his annuity of from 10 to 40 percent, depending upon the difference between his age and that of his designated survivor, with an annuity after his death to such survivor. The conference agreement retains this provision but provides that such election will be available only to unmarried officers and employees, and that only persons having an insurable interest in the life of the officer or employee may be designated as survivor beneficiaries. Provision is also made in the conference agreement to prevent survivors from simultaneously receiving annuity under this subsection and section 12 (c).

Section 7 of the House bill provided that employees separated from the service with 5 or more years of civilian service would be eligible for a deferred annuity beginning at age 62, but that any such employee who had not more than 10 years of service could elect to receive in lieu thereof a refund of his contributions with interest. Upon reemployment in a position under the act an employee who elected to take a refund would be required to deposit the amount of the refund, without interest, in order to get full

credit for the service covered by the refund. As indicated in the discussion of the provisions of section 4 an employee who took a refund, who was reemployed, and who failed to redeposit the refund, would nevertheless receive partial credit for the service covered by the refund. The conference agreement modifies this section in the following respects: First, the option to take a refund is extended to employees who have had not more than 20 years of allowable civilian service. Second, employees who take a refund will receive no credit whatsoever for the service covered by the refund unless they become reemployed in a position under the act and redeposit all amounts so refunded with interest covering periods of employment.

Under section 8 of the House bill the annuities of employees who are separated prior to the effective date of the bill, and who have deferred annuity rights but who have not yet reached the age at which their annuities will become payable, would be computed under the new formula contained in section 4 except that if the employee was involuntarily separated and elected to take a reduced annuity beginning at age 55, the reduction would be figured on an actuarial basis as is the case under existing law. Under the conference agreement the right to annuity and the computation thereof would be governed entirely by existing law.

Section 9 of the House bill permits employees who have rendered past service in positions not covered by the act to make deposits, without interest, for such service and thereby to obtain full credit therefor for the purposes of their annuity computation. As pointed out in the explanation of section 4, credit was given on a reduced basis even where no such deposit was made. Under the conference agreement deposits to obtain full credit must be accompanied by interest covering periods of employment. And, as explained in the discussion of section 4, the reduction in annuity will be computed on a different basis from that provided in the House bill, the amount of the reduction under the conference agreement being 10 percent of the amount of the unpaid deposit and interest.

Section 10 of the House bill increased the rate of deductions from the compensation of employees under the act from 5 to 6 percent, effective as of the first day of the first pay period in 1948. The conference agreement changes the effective date of the increase to the first day of the first pay period beginning after June 30, 1948.

Provisions were contained in section 10 of the House bill setting forth the specific amounts of annuity purchasable with voluntary contributions in the case of persons under the age of 60, persons aged 60 to 65, and persons aged 65 to 70. The conference agreement substitutes a formula for arriving at the amount purchasable at each age. The formula provides that the amount of life annuity purchasable with each \$100 would be \$7 increased by 20 cents for each year, if any, the employee is over age 55 at retirement.

Section 11 of the House bill proposed to amend section 12 of the Retirement Act so as to provide for payment of certain annuity benefits to widows of deceased employees and widows of employees hereafter retiring. In the case of widows of active employees dying after more than 5 years of civilian service, annuities would be payable in all cases beginning at age 60, except that if the employee also leaves a surviving unmarried child or children under the age of 18, the widow's annuity would become payable immediately upon the death of the employee. In the latter case the widow's annuity would terminate if the children reached 18 or were married prior to the widow's attainment of age 60, but would be resumed when she attained that age. The widow of a retired

employee would be entitled to an annuity under this section only if the employee also left a surviving child, and the annuity would terminate upon the child's reaching age 18, the marriage of the child, or the widow's attainment of age 60, whichever first occurs.

The conference agreement retains the provisions of the House bill relating to widows' annuities, but provides that the annuities in cases where there are no children will commence at age 50 rather than age 60. Under the conference agreement the annuity of the widow of an employee dying in service would terminate only upon death or remarriage. The annuity of the widow of an annuitant would terminate not only upon death or remarriage, but also upon attainment of age 50. In addition the conference agreement provides annuities for unmarried children under 18 of deceased annuitants and employees. Where the widow also survives, the annuity of each child would be equal to 50 percent of the annuity to which the widow is entitled, but not to exceed \$360, or \$900 divided by the number of children, whichever is less. Where both parents are deceased a child's annuity would be equal to the annuity to which the widow would have been entitled had she survived, but not to exceed \$480, or \$1,200 divided by the number of children, whichever is less. The annuity of a child would terminate upon his attainment of age 18, his marriage, or his death, whichever first occurs, except that in the case of a disabled dependent child the annuity will not be terminated on account of age.

The House bill limited widows' benefits in cases where there are no children to surviving wives who are married to the employee at least 5 years prior to his death. The conference agreement requires marriage of only 2 years.

The House bill provided that upon the death of an officer or employee the amounts deducted from his salary should be returned to his beneficiary or estate, with interest if there are no survivors entitled to annuity based upon the service of the officer or employee, and without interest if there are such survivors. Provision was also made for returning amounts remaining to the credit of a retired employee who dies without having received in annuity payments an amount equal to his deductions from salary with interest to date of retirement. Under the conference agreement refunds would be made only after all rights to survivor annuity based upon the service of an officer or employee shall have terminated, and only if the amount to the credit of the individual account of the officer or employee, plus interest, exceeded the total amount paid in annuities based upon his service.

The House bill provided that its provisions should take effect generally on the first day of the fourth month following the month in which enacted. The conference agreement advances the effective date to the first day of the second month following the month in which enacted. The provisions relating to death benefits, however, are made effective upon the date of enactment.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,

Managers on the Part of the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

LEGISLATION AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. REES. Mr. Speaker, I desire to call the attention of the membership of the House to a conference report that I have just filed on H. R. 4127, being an amendment to the Civil Service Retirement Act. A detailed statement with respect to this legislation is set forth in this report. This measure is of considerable importance. I suggest that the Members read the report rather carefully so that they may be familiar with its provisions when it is called for consideration on the floor of the House, which we expect will be some time during next week.

AMENDING REVISED STATUTES, UNITED STATES CODE, TITLE 2, SECTION 25

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 148.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill H. R. 3788, to amend section 30 of the Revised Statutes of the United States (U. S. C., title 2, sec. 25), the Clerk of the House is authorized and directed to make the following corrections:

Strike out in lines 4 and 5, page 1, of the engrossed bill the words "so as to read as follows" and insert in lieu thereof "by adding at the end thereof the following"; on page 1, line 6, strike out "Sec. 30."; and on page 2, lines 9 and 13, strike out the quotation marks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, occasionally even the most careful of committees may make mistakes. It is to correct one on the part of the Committee on the Judiciary of the House that this resolution is presented. For years there has never been any record evidence whatsoever of the membership of any Member of the House in the event it ever should become necessary to prove such membership. To correct that deficiency, this bill, H. R. 3778, was introduced. It does so, but in committee amendments a short paragraph, section 30 of the revised statutes (U. S. C., title 2, sec. 25), which was not intended to be stricken, was also stricken, together with many of the provisions of the bill. But there was no intent to strike out that section. The bill was reported unanimously by the committee and was passed by the other body as it was passed in the House. This concurrent resolution would simply restore that paragraph which was unintentionally stricken by the committee amendment. I think there cannot possibly be any objection to the resolution which would simply authorize that as enrolled the bill contain exactly what the committee intended in its unanimous report and which has been agreed in by Senate action.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RIEHLMAN asked and was granted permission to extend his remarks in the RECORD and include a statement by Mr. George J. Burger, director of the Washington office of the Small Business Corp.

Mr. DEVITT asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. DEVITT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in connection with a bill I have introduced today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREIGN RELIEF

Mr. DEVITT. Mr. Speaker, I have today introduced a bill entitled "The American Peoples Foreign Assistance Act of 1948." It embodies a different approach to the great problem of foreign relief.

I am well satisfied that it is the humanitarian obligation of this country to help in the relief and rehabilitation of the devastated countries of the world, especially those of western Europe. How can we best accomplish this obligation without jeopardizing the economic health and welfare of our own people? I think it can best be done by encouraging our own people to give individual aid and assistance to the needful peoples of the devastated countries.

It must be remembered that about seven-eighths of the present relief contemplated to be furnished in the first year of the recovery program is for food, clothing, and the necessities of life, and that approximately one-eighth of it is to be used for rehabilitation purposes, such as the furnishing of machinery and industrial equipment. I am one of those who believe that "feeding the hungry and clothing the naked" is essentially a humanitarian obligation of the peoples of the United States as distinguished from the Government of the United States, and that this Government should take every feasible step toward encouraging the assumption of that obligation by the people of this country. To that end I have provided in this bill for two things:

First. An authorized deduction of up to 15 percent from individual tax payments for the value of contributions or gifts of food, clothing, and other necessities of life made available for persons in need in overseas foreign countries. This 15-percent deduction is in addition to the present 15-percent deduction authorized to be made for contributions for religious and charitable purposes.

Second. A provision authorizing the sending of relief packages to peoples in overseas foreign countries in need at one-fourth the regular postal rate, the deficit to be paid for from relief appropriations.

The provision permitting the additional 15-percent income-tax deduction is meant to encourage a greater giving

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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HIGHLIGHTS: House passed urgent deficiency appropriation bill which includes items for BE&PQ and Forest Service; rejected additional REA funds. House agreed to conference report on civil-service retirement bill. House passed bill to continue for one month certain allocation and export-import powers.

HOUSE

1. URGENT DEFICIENCY APPROPRIATION BILL, 1948. Passed with amendment this bill, H. R. 5525, which had been reported by the Appropriations Committee earlier in the day (H. Rept. 1421)(pp. 1668, 1678, 1689-98).

The bill includes the following items:

Bureau of Entomology and Plant Quarantine:

Insect investigations: Control of citrus blackfly, \$100,000 (same as budget estimate).

Insect and plant disease control: Pink bollworm control, \$174,200 (budget estimate was \$203,600). Decrease resulting from a delay of approximately 1½ months in availability of funds to begin control work.

Control of emergency outbreaks of insects and plant diseases: Grasshopper and Mormon cricket control, \$442,000 (same as budget estimate).

Control of Forest Pests:

Control of several forest tree insect epidemics on the National forests and adjacent National park areas, \$843,000 (same as budget estimate).

Forest Service:

National forest protection and management: Timber sales, \$475,000 (same as budget estimate)..

Fighting forest fires: Annual deficiency, \$4,932,000 (same as budget estimate).

Proposed increase in administrative-expense limitation of Federal Intermediate Credit Banks, to cover cost of the GAO audit (budget estimate,

\$27,500), is still pending before the Committee. The Committee report states: "The committee has pending before it a number of items proposing deficiency and supplemental appropriations for the current fiscal year and expects to report to the House a general bill covering the pending items at an early date." During the debate, Chairman Taber stated that they hope to report the later bill about Mar. 11 and that there will be another bill in May (p. 1690).

The bill also includes \$1,188,600 additional for the Commission on Organization of the Executive Branch of the Government. Regarding this item, the Committee report states: "The committee has inquired thoroughly into the program and objectives of the Commission and is convinced that a great deal of good is to be derived from its operations. Therefore, the committee recommends approval of the full amount of the requested supplemental appropriation."

Agreed to an amendment by Rep. Heselton, Mass., as amended by an amendment by Rep. Coffin, Mich., to prohibit use of these appropriations for converting coal heat to oil or gas heat in Federally owned or rented buildings (pp. 1692-5).

Rejected, 151-181, a motion by Rep. Rankin, Miss., to recommit the bill with instructions that it be reported with an amendment providing \$300,000,000 additional for REA (pp. 1691-2, 1696-7). After the bill was passed, Chairman Taber stated that there was no budget estimate for this item and compared the existing appropriation with the allocations (p. 1698). Various other members then discussed the item (pp. 1698, 1699, 1700, 1714).

Rep. Case, S. Dak., discussed the Forest Service items and commended FSI accomplishments (p. 1696).

Rep. Cannon, Mo., criticized the Legislative Reorganization Act in general (pp. 1690-1).

2. **PERSONNEL; RETIREMENT.** Agreed to the conference report on H.R. 4127, to amend the Civil Service Retirement Act (pp. 1684-9). Rep. Murray, Tenn., inserted a chart showing a comparison of some of the more important features of the present Civil Service Retirement Act and the conference agreement on H.R. 4127 (pp. 1687-8). For a summary of the provisions of the conference agreement see Digests 28 and 29. The Senate has not yet acted on the conference report.
3. **EXPORT-IMPORT CONTROLS; ALLOCATIONS.** Passed without amendment H.R. 5391, to continue until Mar. 31, 1948, allocation powers over certain materials, including tin; import controls over fats and oils, rice, nitrogen fertilizers, etc.; and export controls over certain fibers, petroleum, etc. under the Second Decontrol Act of 1947 (pp. 1673-5).
4. **FERTILIZERS.** Passed without amendment H.R. 5275, to provide for free entry of limestone for use as fertilizer (pp. 1671-2).
5. **FURS.** Passed without amendment H.R. 4938, to classify platinum-fox furs as dutiable (pp. 1672-3).
6. **FOREST PRODUCTS.** Passed without amendment H.R. 5328, to provide for the free entry of certain wood wastes (pp. 1670-1).
7. **FOREIGN AID.** Agreed without amendment to H.Res. 476, extending to May 1, 1948, the date for the Select Committee on Foreign Aid to submit its report (p. 1673). This resolution was reported earlier in the day (H.Rept. 1418) (p. 1714).
Rep. Gavin, Pa., recommended Rep. Dirksen, Ill., to "head the European recovery program" (p. 1668).
Received a Mass. Legislature memorial urging enactment of a sound and effective European recovery plan (p. 1715).

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Banking and Currency.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 13, noes 98.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground there is not a quorum present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-two Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 57, nays 306, not voting 66, as follows:

[Roll No. 13]

YEAS—57

Arnold	Goff	Peterson
Banta	Goodwin	Pickett
Bennett, Mo.	Gossett	Poage
Brown, Ohio	Griffiths	Rankin
Burleson	Gwynne, Iowa	Redden
Busbey	Harness, Ind.	Reed, N. Y.
Church	Hoffman	Rizley
Clevenger	Jackson, Calif.	Rogers, Fla.
Cole, Mo.	Jennings	Sanborn
Cotton	Jensen	Schwabe, Mo.
Cravens	Kilday	Schwabe, Okla.
Crawford	Lucas	Smith, Kans.
Cunningham	McCowen	Smith, Ohio
Curtis	Mahon	Teague
Dolliver	Nicholson	Wilson, Ind.
Dondero	O'Konski	Wilson, Tex.
Fernandez	Owens	Wood
Fisher	Patman	Worley
Fletcher	Peden	Youngblood

NAYS—306

Abernethy	Byrnes, Wis.	Evins
Albert	Camp	Fallon
Allen, Calif.	Canfield	Felghan
Allen, Ill.	Carroll	Fellows
Almond	Case, N. J.	Fenton
Andersen	Case, S. Dak.	Flannagan
H. Carl	Celler	Folger
Anderson, Calif.	Chelf	Foote
Andresen	Chenoweth	Fuller
August H.	Clark	Fulton
Andrews, Ala.	Clason	Gamble
Andrews, N. Y.	Coffin	Garmatz
Angell	Cole, Kans.	Gary
Arends	Cole, N. Y.	Gathings
Auchincloss	Colmer	Gavin
Bakewell	Combs	Gillette
Barrett	Cooper	Gillie
Bates, Mass.	Corbett	Gordon
Battle	Coudert	Gore
Beckworth	Crosser	Gorski
Bell	Crow	Graham
Bender	Dague	Granger
Bennett, Mich.	Davis, Ga.	Grant, Ala.
Bishop	Davis, Tenn.	Grant, Ind.
Blackney	Davis, Wis.	Gross
Bland	Dawson, Utah	Hagen
Blatnik	Deane	Hale
Bloom	Devitt	Hall
Boggs, Del.	D'Ewart	Edwin Arthur
Bolton	Dirksen	Hall
Bonner	Domenegeaux	Leonard W.
Boykin	Donohue	Hand
Bradley	Dorn	Hardy
Bramblett	Doughton	Harless, Ariz.
Brehm	Douglas	Harris
Brophy	Durham	Harrison
Brown, Ga.	Eaton	Hart
Bryson	Eberharter	Harvey
Buchanan	Elliott	Havenner
Buck	Ellis	Hays
Buckley	Ellsworth	Hedrick
Buffett	Elsaesser	Heffernan
Bulwinkle	Elston	Herter
Burke	Engel, Mich.	Heseltan
Butler	Engle, Calif.	Hess

Hill	McMillan, S. C.
Hobbs	Mack
Hoeven	MacKinnon
Holmes	Madden
Hope	Maloney
Horan	Mansfield
Huber	Marcantonio
Hull	Martin, Iowa
Jackson, Wash.	Meade, Ky.
Jarman	Morrow
Javits	Meyer
Jenison	Michener
Jenkins, Ohio	Miller, Calif.
Johnson, Calif.	Miller, Conn.
Johnson, Ill.	Miller, Md.
Johnson, Ind.	Miller, Nebr.
Johnson, Tex.	Mills
Jones, Ala.	Mitchell
Jones, N. C.	Monroney
Jones, Wash.	Morgan
Jonkman	Morris
Judd	Morton
Karsten, Mo.	Muhlenberg
Kean	Multer
Kearney	Mundt
Kearns	Murdock
Keating	Murray, Tenn.
Kee	Murray, Wis.
Keefe	Nodar
Kefauver	Norblad
Kelley	Norrell
Kennedy	Norton
Keogh	O'Brien
Kerr	O'Hara
Kilburn	O'Toole
King	Pace
Kirwan	Patterson
Knutson	Pfeiffer
Kuhkel	Philbin
Landis	Phillips, Calif.
Lane	Phillips, Tenn.
Lanham	Ploeser
Larcade	Plumley
Latham	Potter
Lea	Potts
LeCompte	Poulson
LeFevre	Preston
Lemke	Price, Fla.
Lewis	Price, Ill.
Lichtenwalter	Priest
Lodge	Rain
Love	Ramey
Lynch	Rayburn
McConnell	Reed, Ill.
McCormack	Rees
McCulloch	Rich
McDonough	Richards
McGregor	Riehlman
McMahon	Riley

NOT VOTING—66

Allen, La.	Gregory	Meade, Md.
Barden	Gwinn, N. Y.	Morrison
Bates, Ky.	Halleck	Nixon
Beall	Hartley	Passman
Boggs, La.	Hébert	Powell
Brooks	Hendricks	Reeves
Byrne, N. Y.	Hinshaw	Regan
Cannon	Holifield	Rivers
Carson	Jenkins, Pa.	Rooney
Chadwick	Johnson, Okla.	Sabath
Chapman	Kersten, Wis.	Sasser
Chipperfield	Klein	Scott
Clippinger	Lesinski	Hugh D., Jr.
Cooley	Ludlow	Short
Courtney	Lusk	Smathers
Cox	Lyle	Smith, Maine
Dawson, Ill.	McDowell	Taylor
Delaney	McGarvey	Thomas N. J.
Dingell	McMillen, Ill.	Towe
Fogarty	Macy	West
Forand	Manasco	Zimmerman
Gallagher	Mason	
Gearhart	Mathews	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Halleck with Mr. Klein.
Mr. Chipperfield with Mr. Cox.
Mrs. Smith of Maine with Mr. Rooney.
Mr. Macy with Mr. Forand.
Mr. Towe with Mr. Hébert.
Mr. Short with Mr. Meade of Maryland.
Mr. Thomas of New Jersey with Mrs. Lusk.
Mr. McGarvey with Mr. Chapman.
Mr. McMillan of Illinois with Mr. Johnson of Oklahoma.
Mr. Hugh D. Scott, Jr., with Mr. Dawson of Illinois.

Mr. Mathews with Mr. Fogarty.
Mr. Hartley with Mr. Sasser.
Mr. Chadwick with Mr. Morrison.
Mr. Clippinger with Mr. Brooks.
Mr. Taylor with Mr. Holifield.
Mr. Gallagher with Mr. Boggs of Louisiana.
Mr. Beall with Mr. Zimmerman.
Mr. Nixon with Mr. Byrne of New York.
Mr. Hinshaw with Mr. Cooley.
Mr. Reeves with Mr. Manasco.
Mr. Mason with Mr. Lesinski.
Mr. Carson with Mr. West.
Mr. Kersten of Wisconsin with Mr. Smathers.

Mr. Gwinn of New York with Mr. Passman.

Mr. RIZLEY and Mr. Cox changed their votes from "no" to "aye."

Mr. POULSON changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD in four instances.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include a statement commending the Reserve Officers' Association.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in three instances, in two to include newspaper articles and in the other some correspondence.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include a statement by the Governor of the State of California to the joint subcommittees of the House and Senate Judiciary Committees considering the bill S. 1988 and companion bills.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an address he made on Lincoln Day.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CIVIL SERVICE RETIREMENT ACT

Mr. REES. Mr. Speaker, I call up the conference report on the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of February 12, 1948.)

Mr. REES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, several days ago, after the adoption of the agreement of the conference committee with respect to this legislation, I called attention to the Members of the House that a conference report was being filed and asked the Members to examine it carefully so that they would be familiar with this proposed legislation.

I should say at the outset that in most respects the conference agreement is the same as the House bill. The House bill was passed last summer without objection.

On July 21, 1947, the House approved H. R. 4127, a bill to amend the Civil Service Retirement Act, as amended, in the form in which it was reported by the House Post Office and Civil Service Committee.

On January 23 the Senate considered the House bill and passed it in an amended form, necessitating the appointment of conferees for the purpose of reaching agreement on the points in dispute in the two versions of the House bill.

Conferences were held on February 3 and February 6. These meetings were attended by all of the conferees, and many hours were devoted to diligent study of the retirement bills. Unanimous agreements were reached, and, in my opinion, the bill as agreed upon will make an excellent retirement law. It represents a forward step in the Government's recognition of its obligations to Federal employees who render many years of valuable public service. I appreciate the fine cooperation of the conferees. From the outset it was clear that everyone recognized the important task of making the first comprehensive change in the Civil Service Retirement Act since 1930. In my judgment, the conference agreement is a just and liberal bill.

For the most part, the conference bill is the same as the House bill. The important difference between the House bill and the conference bill is the inclusion in the conference bill of annuity benefits, under certain conditions, to children of deceased former employees. The new language in the conference bill provides that surviving children of a married male employee who dies in the service leaving a widow may receive not in excess of \$360 each year for each surviving child under the age of 18 years. If the employee dies and there is no surviving parent, the annuity may not exceed \$480 per year for each child under the age of

18 years. According to estimates of the Civil Service Commission, this additional benefit which was not included in the House bill will increase the cost of the House bill by \$6,000,000 per annum.

In most other respects the conference agreement is the same as the House bill. The principal provisions of the House bill are:

First. Retired employees now on the annuity rolls are to obtain increased annuity benefits, or in lieu thereof are permitted to obtain certain benefits for their surviving spouse.

Second. Provision is made for a more simple and more equitable method of computing annuities based upon total years of service, which raises annuities by approximately 5 percent in the higher salary groups to 25 percent in the lower brackets. An increase of 25 percent, or \$300, whichever is the lesser, is provided for present annuitants.

Third. Federal employees' contributions to the retirement fund are increased from 5 to 6 percent of such employees' basic salary.

Fourth. Retirement deductions are to be refunded to employees who have had less than 5 years of service, optional refunds are provided for those employees with from 5 to 10 years of service—excluding military service—but contributions to the retirement fund from employees with 10 or more years of service—excluding military service—are to be retained in the retirement fund until such age as annuities are provided.

Fifth. The so-called tontine service charge against Federal employees is eliminated.

However, the main differences between the conference bill and the House bill as outlined in the conference report on pages 13 through 16 as follows:

First. The House bill provided that the annuity of an employee retiring voluntarily between the ages of 55 and 60 after 30 years of service would be reduced by one-half of 1 percent for each month such employee is under age 60.

The conference bill provides that the reduction shall be one-fourth of 1 percent for each month such employee is under the age of 60—section 1.

Second. The House bill provided a reduced annuity for an employee who leaves the service voluntarily if prior to his last position he had been involuntarily separated from a position with a higher rate of pay, provided such employee had at least 25 years of service.

The conference bill eliminated this provision. However, the Senate and House bills provided reduced annuity benefits for employees who are involuntarily separated after rendering 25 years of service—section 1.

Third. The House bill did not contain the provision in existing law allowing certain employees of the Federal Bureau of Investigation who render 20 years of service to retire at 50 years of age. It had, however, approved these provisions in a separate bill.

The conference bill provides for continuing the retirement benefits to such employees of the Federal Bureau of Investigation—section 1.

Fourth. The House bill provided that an employee who withdraws his retirement deductions upon leaving the service may receive credit toward retirement for such service upon reentering the Government service without redepositing his retirement deductions.

However, the conference bill provides that no employee who withdraws his retirement deductions upon leaving the service may receive credit toward retirement for such service unless upon reentering the service, and before retirement, he redeposits the total amount of his deductions plus interest—sections 7 and 12.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. What will be the total cost of this program annually to the Federal Government to start with?

Mr. REES. It is estimated that this legislation for the first year will cost an additional \$62,000,000, approximately. It is estimated, however, that as the years go on the charges against the fund will be less and that it will be reduced considerably each year during the next 10 years. It is claimed by the Civil Service Commission it will go down to approximately \$15,000,000 or \$20,000,000 annually after the first 4 or 5 years.

Mr. SMITH of Ohio. Sixty-two million dollars is the figure for the coming year?

Mr. REES. That is the estimate that has been submitted to me by the Commission.

Mr. SMITH of Ohio. That would be the total cost of the entire program?

Mr. REES. That would be the additional cost by reason of this legislation. The gentleman understands that the Congress appropriates each year something over \$200,000,000 to the retirement fund as its share for retirement benefits. Now, this cost that we are talking about is the additional cost by reason of this legislation.

Fifth. Under the House bill, no employee could receive an annuity computed thereunder which exceeded 90 percent of the highest average annual compensation received by such employee during five consecutive years of allowable service.

The conference agreement provides that such annuity shall not exceed an amount equal to 80 percent of such 5-year average—section 4.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. REES. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. Does this bill provide that a secretary of a Member of Congress has to have 35 years' service to his or her credit before they can become eligible for this retirement?

Mr. REES. This measure does not have anything to do with those who are employed in the offices of Members of Congress, except as they come under the regular retirement law; that is, if a secretary employed in a Congressman's office has complied with the provisions of the act which permits them to come under it, they may do so. In that event,

they would come under the provisions of this bill, which amends the present retirement law.

Mr. DONDERO. If they elect to come under this bill, then are they required to have 35 years of service to their credit before becoming eligible?

Mr. REES. No; they can retire at the end of 30 years of service, just the same as anyone else, if they see fit to do so.

Mr. DONDERO. How many secretaries are there who could possibly be here long enough to have 30 or 35 years of service to their credit?

Mr. REES. I will say to the gentleman that whenever they retire from the service they have a certain amount of annuity credited to their accounts. When they reach the age of 62 years, just like any other former employee of the Government, they will participate in this retirement fund. Just because they do not have 35 years of service to their credit does not mean that they will not be entitled to consideration. They are, regardless of length of service, entitled to all rights and benefits to which other Federal employees are entitled who are subject to the retirement act.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that any Federal employee including secretaries in the legislative establishment can have a retirement annuity after they have served for 5 years and have paid in the money?

Mr. REES. After an employee has served for a period of 5 years or more as I stated in the beginning of this discussion, he is entitled to retirement benefits in accordance with the amount of salary that he received for the period during which he served. If he served less than 5 years, however, he is not entitled to receive any benefits at all, his money is returned to him; that is, the amount of money that he put in is returned to him together with interest. If he serves for a period of more than 5 or less than 20 years and wants to withdraw his money, he can do so and will not in that event come under the provisions of the act and will not be entitled to retirement benefits. At the present time an employee can withdraw his funds up to 10 years. Under the provisions of this legislation, he can withdraw them up to 20 years.

Mr. AUGUST H. ANDRESEN. Assuming that an employee does withdraw his funds and goes out of the Federal service, he is not eligible to go back into the retirement system again unless he becomes reemployed?

Mr. REES. That is correct.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Ohio who has shown a great deal of interest in this legislation.

Mr. SMITH of Ohio. I understand if the employee makes the same contribution, there is nothing added to his contribution.

Mr. REES. Yes, the employee now contributes 6 percent of his salary. Here-

tofore he contributed 5 percent. The Government continues to contribute 5 percent.

Sixth. The House bill provided that employees separated from the service with 5 or more years of civilian service, would be eligible for a deferred annuity beginning at age 62, but that any such employee who had not more than 10 years of service could elect to receive in lieu thereof a refund of his contributions with interest.

The conference bill extended from 10 years to 20 years the time during which employees separated from the service may elect to receive a refund of their contributions with interest, and employees who take such refund will receive no credit for their services covered by the refund unless they become reemployed in a position under the Retirement Act and redeposit all amounts so refunded with interest covering the period of employment. Those employees who voluntarily leave the service with more than 20 years of service are entitled only to annuities at age 62—section 7.

Seventh. The House bill permitted employees who have rendered past service in positions not covered by the Retirement Act to make deposits, without interest, for such service and obtain full credit therefor for the purpose of their annuity computation. Credit was given on a reduced basis even where no such deposit was made.

Under the conference agreement, the deposits to obtain full credit must be accompanied by interest covering period of employment. Where no such deposit is made credit is allowed for the service but the annuity is reduced by 10 percent of the amount of the unpaid deposit and interest—section 9.

Eighth. Both the House and Senate bills provided for increasing the rate of deductions from the compensation of employees under the act from 5 to 6 percent, effective the first day of the first pay period in 1948.

The conference agreement changes the effective date of such increase to the first day of the first pay period beginning after June 30, 1948—section 10.

Ninth. The House bill sets forth specific amounts of annuities purchasable with voluntary contributions of employees under the age of 60 years, 60 to 65 years, and employees aged 65 to 70.

The conference bill, to facilitate computations, substitutes a formula for arriving at the amount purchasable at each age, and such formula provides that the amount of life annuity purchasable with each \$100 will be \$7, increased by 20 cents for each year, if any, the employee is over age 55 at retirement—section 10.

Tenth. The House bill provided for payment of annuity benefits to widows of deceased employees and to widows of employees hereafter retiring. In the case of widows of active employees dying after more than 5 years of civilian service, the House bill provided that annuities would begin at age 60, except that, if the employee leaves a surviving unmarried child or children below 18 years of age, such widow's annuity would be-

come payable immediately upon the death of the employee. In the latter case, the widow's annuity would terminate if the children reached 18 or were married prior to the widow's attainment of age 60, but would be resumed when she reached the age of 60. The widow of a retired employee would be entitled to an annuity under section 12 only if the employee also left a surviving child, and such annuity would terminate upon the child's reaching age 18, the marriage of the child, or the widow's attainment of age 60, whichever occurs first.

The conference agreement retains the provisions in the House bill relating to widows' annuities, but provides that such widows' annuities, where there are no children will commence at age 50 instead of 60. Also, under the conference bill, the annuity of the widow of an employee dying in service would terminate only upon death or remarriage. The annuity of the widow of an annuitant would terminate not only upon death or remarriage, but also upon attainment of age 50, unless her husband had designated her under a joint survivorship annuity. Annuities for unmarried children under 18 of deceased annuitants and employees were discussed above—section 11.

Mr. DONDERO. Mr. Speaker, I do not want to take up the time of the gentleman, but there is a great deal of confusion among secretaries of Members of Congress as to what their rights will be under this bill.

Now, this is the question: If they decide they want to withdraw their money, can they do so?

Mr. REES. Yes; provided they leave the Government with less than 20 years' service.

Mr. DONDERO. If they have been under the act for less than 20 years, if they decide to withdraw their money they can do so?

Mr. REES. If they have served less than 20 years, they can withdraw their money any time they want to, provided they go out of the service.

Eleventh. The House bill provided that upon the death of an employee, the amounts deducted from his salary are to be returned to his beneficiary or estate, with interest if there are no survivors entitled to annuity based upon the service of the employee, and without interest if there are such survivors. Also, provision was made for returning amounts remaining to the credit of a retired employee who dies without having received in annuity payments an amount equal to his deductions from salary with interest to date of retirement.

The conference bill provides that refunds will be made only after all rights to survivor annuity based upon the service of an employee shall have terminated, and only if the amount to the credit of the employee, plus interest, exceeds the total amount paid in annuities based upon his service—section 11.

Twelfth. Most of the provisions of the conference bill become effective upon the first day of the second month following the date of enactment, whereas the House bill provided that the effective date should be the first day of the fourth

month following the date of enactment. However, with reference to those employees who die between the date of enactment and the effective date of the act, survivor benefits take effect immediately under the provisions of the conference bill. Under the conference bill and under the House bill, annuity benefits for those employees who are involuntarily separated after 25 years of service are retroactive to July 1, 1947, and under the conference bill and the House bill the interest-rate provisions take effect on January 1, 1948—section 15.

According to estimates furnished me by the Civil Service Commission, the liberalizing provisions of the conference bill will increase the cost of the retirement system by approximately \$62,000,000 annually. Although the figures which were presented by the Commission at the time the bill was considered on July 21, 1947, were somewhat less than \$62,000,000, I am advised that those estimates were based on a pay roll of \$3,700,000 rather than on the actual pay roll of \$4,400,000,000, as was developed by a census of employees under the Retirement Act. Also, later evaluations made by the Board of Actuaries altered preliminary estimates.

The increased deductions provided for under the conference agreement, which is the same as the House bill, of from 5 to 6 percent of the salaries of employees subject to the Retirement Act, will provide \$44,000,000 a year for the retirement fund.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES. I shall be glad to yield.

Mr. AUGUST H. ANDRESEN. Is it necessary for an employee who is retiring to make an election in order that his widow at some future time may get an annuity?

Mr. REES. It is.

Mr. AUGUST H. ANDRESEN. Assuming that a Federal employee dies while he is in the service, and leaves a widow, but he still has the retirement fund, does this conference report give any retirement benefit to that widow?

Mr. REES. The conference agreement provides that if an employee dies in the service, his widow receives an annuity beginning at his death or at her attainment of age 50, whichever is later. However, if the employee dies in the service leaving a widow with a child or children, the widow gets an immediate annuity which terminates at age 50, death, or remarriage, but such widow at age 50 will receive an annuity under clause 1, subsection (c) of section 12.

On the other hand, if a retired employee dies leaving a widow and a child or children, the widow gets an immediate annuity upon the annuitant's death, and such annuity terminates at age 50, death, or remarriage. If the employee at the time of his retirement designated a joint survivor annuity for his widow, the widow would receive that annuity at age 50 even though she was cut off of an annuity under clause 2 of subsection (c) of section 12 at age 50, if she has children. However, in the case of the widow of an annuitant who dies leaving no children, she will receive no immediate annuity, but

will receive an annuity beginning at age 50, if at the time of her husband's retirement he designated her under a joint survivor annuity.

Mr. AUGUST H. ANDRESEN. Well, we will assume here is an employee who has worked 25 years. He has not reached the retirement age. He dies and leaves a widow. What would that widow be entitled to?

Mr. REES. That widow would be entitled to an annuity beginning at his death or at her attainment at the age of 50, whichever is later. This is where the employee dies while in service. In case he leaves a widow with child or children under 18 the widow gets immediate annuity that terminates at age 50, death, or remarriage, but as I have stated, the widow will, when 50 years, be entitled to the benefits under clause 1, subsection (c) of section 12, of this bill.

Mr. AUGUST H. ANDRESEN. Then it leaves the widow of a retired worker in much better position than a Government worker who dies in the service, who has not made an election?

Mr. REES. I believe there is some justification for the gentleman's viewpoint. However, under the provisions of the conference agreement, I believe in most situations the widow of an employee who dies in the Federal service is better off than the widow of a retired employee.

At the time the Senate passed H. R. 4127, it was estimated that the House bill would increase the annual cost of the retirement system by \$84,000,000 whereas the Senate bill would cost only \$42,000,000 more annually. This wide discrepancy between the Senate and House bills has been eliminated by the conference agreement, which retains the important liberal features of both bills but by eliminating excess credits and benefits not actuarially sound the cost of the House bill is reduced by \$22,000,000.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Speaker, I yield myself 1 additional minute.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. REES. I shall be glad to yield.

Mr. DEVITT. Will the gentleman advise me if, under this bill, substantially the same benefits are made available to Federal employees who have already retired as are being made available to employees who are going to retire in the future?

Mr. REES. Benefits for those who have retired are increased. Under this legislation they will receive either 25 percent or \$300 additional, whichever is lesser, annually more than they now receive.

Mr. DEVITT. But is there substantial equality of treatment between those who have retired and those who are going to retire in the future?

Mr. REES. Yes. I would say there is substantial equality of treatment between the two groups.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. MURRAY].

(Mr. MURRAY of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Speaker, the conference report was unanimously approved by the managers on the part of the Senate and the managers on the part of the House. It is a compromise of the differences of the two bodies, and in my opinion, is fair and just to both the Federal Government and its employees. While the legislation liberalizes and increases retirement benefits or annuities and provides annuities for widows who are at least 50 years old and children under 18 years of age, it increases the contribution of the employee to the retirement fund by 20 percent, or from 5 percent to 6 percent.

The measure as agreed upon by the conferees makes no change in the existing law as to age and service requirements for either compulsory or optional retirement. An employee upon attaining the age of 70 and with 15 years of service must retire from the Federal service, while it is optional for an employee to retire upon reaching the age of 60 with 30 years' service, or upon attaining the age of 62 with 15 years of service. Also it provides for the optional retirement of an employee at the age of 55 years with at least 30 years' service. However, the annuity of such employee will be reduced by one-fourth of 1 percent for each month the employee is under the age of 60 at the time of retirement.

Under the provisions of the conference report, certain annuities will be paid to the widows and children under 18 years of age of employees who die in the service with 5 years or more employment. Also married male employees who retire under this legislation may provide an annuity for their widows by taking a reduced annuity of 90 percent of his life annuity and a further reduction of three-fourths of 1 percent for each year his wife is under 60 at the time of his retirement. In addition, children of deceased annuitants under 18 years of age are entitled to certain annuities.

At least 5 years of service must be rendered before an employee may be entitled to any kind of annuity. Any employee who leaves the Government with less than 20 years of service has the choice of the refund of all moneys paid by him into the retirement fund, with interest, or a deferred annuity beginning at the age of 62 years.

Employees who are involuntarily separated from the service and who are not removed for cause or charges of misconduct or delinquency may be paid an immediate annuity which will be reduced by 3 percent for each year the employee is under 60 years of age.

The report permits employees who have rendered past service in positions not covered by retirement laws, and for which deductions were not currently made, to make the required deposits, with interest for such periods of time and, if they do not care to make such deposits, then their entire service, including the years for which no deductions were made, will be credited in computing their annuity, but their annuity will be reduced by 10 percent of the amount of the unpaid deposits and interest thereon.

No deposit is required for any service prior to August 1, 1920.

The present annuities of all retired employees are increased 25 percent or \$300 whichever is the lesser unless the annuitants elect to waive the increase in their annuity and instead provide an annuity for their widows at rate of 50 percent of their own annuity or \$600 per year.

Full credit is allowed without deposit for military service.

The contributions to the retirement fund by the employee is increased from 5 to 6 percent and interest payable is reduced from 4 to 3 percent on refunds. The monthly tontine or service charge of

\$1 that has been paid in the past by employees is eliminated.

These are the most important provisions in the report. The legislation will increase annuities about 5 percent for retired employees in the higher salaried groups and 25 percent to those in the lower brackets.

The amount of employee's annuity is computed on 1½ percent average annual basic salary during any five consecutive years multiplied by the total years of service or 1 percent annual basic salary of 5 years plus \$25 multiplied by total years of service; an employee gets credit for all years of service as the 35 years limitation has been removed.

Federal employees since 1921 have contributed over \$2,000,000,000 to the retirement fund and through June 3, 1947, the Government has contributed about one billion and six hundred million to the fund. Total disbursements for annuities and refunds have amounted to one billion six hundred and seventy-two million. On January 1, 1948, there was \$2,650,000,000 to the credit of the retirement fund.

I am inserting a chart showing comparison of some of the more important features of the present Civil Service Retirement Act and the conference report on H. R. 4127:

Comparison of some of the more important features of the present Civil Service Retirement Act, and the conference agreement on H. R. 4127

Feature	Present Retirement Act	Conference agreement on H. R. 4127
Mandatory retirement.....	Age 70 with 15 years of service.....	Same as present act.
Optional retirement without reduction in annuity.....	Age 62 with 15 years of service; age 60 with 30 years of service; option exercised by either employee or Department.	Same as present act except option exercised only by employee.
Optional retirement with reduced annuity.....	Age 55 with 30 years of service with annuity reduced (in accordance with an actuarial schedule) approximately 6 percent for each year under age 60.	Age 55 with 30 years of service with annuity reduced 3 percent for each year under age 60.
Retirement benefits to persons involuntarily separated with 25 or more years of service.....	Provision expired by its own terms June 30, 1947.....	Immediate annuity upon involuntary separation with annuity reduced by 3 percent for each year employee is under age 60. No age restrictions.
Annuity formula.....	Plan I, \$30 for each year plus purchasable annuity; plan II, average salary not to exceed \$1,600 multiplied by years of service divided by 40; plan III, average salary multiplied by years of service divided by 70.	1½ percent of average salary multiplied by years of service, or, 1 percent of average salary plus \$25 multiplied by years of service.
Maximum service credited toward retirement.....	Plan I, 30 years; plan II, 30 years; plan III, 35 years.....	No maximum.
Maximum annuity payable.....	No maximum stated.....	80 percent of average salary.
Deposit for service since Aug. 1, 1920 during which retirement deductions were not currently made.....	If deposit is not made, service is credited but annuity is reduced by amount purchasable by deposit on an actuarial basis.	If deposit not made, service credited but annuity is reduced by 10 percent of amount of unpaid deposit, including interest.
Redeposit of retirement deductions previously refunded.....	If refund covers any service after Jan. 23, 1942, no annuity may be allowed unless redeposit is made. If refund covers only service before Jan. 24, 1942, service is not credited unless redeposit is made.	Service is not credited unless redeposit is paid with interest.
Voluntary contributions.....	Available to purchase additional annuity of all types computed on the basis of actuarial factors.	Available to purchase annuity of all types on the basis of a schedule in the law.
Separation benefits.....	Less than 5 years of service, refund with interest only, 5 but less than 10 years of civilian service, choice of refund with interest, or annuity deferred to age 55 in case of involuntary separation, deferred to age 62 in case of voluntary separation. Voluntary separation annuity computed under plan I only. Over 10 years of civilian service, deferred annuity as above with option of refund of deductions made before Jan. 24, 1942.	Less than 5 years of civilian service, refund with interest only. At least 5 but less than 20 years of civilian service, choice of refund with interest, or deferred annuity at age 62 computed under formula of H. R. 4127. Over 20 years of civilian service, deferred annuity as above—no refund.
Benefit for employees separated between Jan. 24, 1942, and amendment of present retirement act who have more than 5 years of service.....	Benefit as above.....	Annuity computed under present act.
Increase in annuities to annuitants on the roll.....	No provision to increase.....	Increase all annuities 25 percent or \$300, whichever is the lesser. Annuitant may elect, in lieu of increase, to have annuity continue after death to widow or widower at rate of 50 percent or \$600, whichever is lesser.
Survivorship annuity elected by retiring employee.....	Employee retiring under age or optional provisions of act may elect a reduced annuity for life, to continue at the same or 50 percent of the same rate to any person named. Actuarial factors used to compute rate of annuity.	Married male employee retiring under age, optional, or disability provision may elect annuity equal to 90 percent of life annuity reduced by ¾ percent for each year wife is under age 60 at time of his retirement, with annuity commencing at age 50 to widow after his death. Annuity of widow to terminate at death or remarriage. Unmarried employee retiring in good health under age or optional provisions may elect annuity reduced by a percentage table, with annuity to continue at 50 percent of such reduced rate to any person named. Annuity to person named to commence at death of employee.
Widow's annuity where employee dies in service.....	No provision.....	If employee with at least 5 years of service dies, widow is entitled to annuity equal to 50 percent of annuity based on his service. Annuity to widow commences when she is age 50 and terminates with her death or remarriage. If there is a child entitled to benefits, annuity to widow commences immediately and terminates at her death or remarriage.
Widow's annuity where annuitant dies.....	No provision unless wife was named as survivor annuitant at time of employee's retirement.	If annuitant leaves a widow and a child entitled to benefits, widow is entitled to immediate annuity equal to 50 percent of his annuity. This widow's annuity continues until she dies, remarries, or reaches age 50.
Children's annuity benefits.....	No provision.....	If an annuitant or an employee with at least 5 years of service dies, unmarried child under age 18 or incapable of self-support is entitled to immediate annuity which terminates at death, marriage, age 18, or removal of disability. If there is a widow, annuity is equal to ¼ of employee's annuity, \$900 divided by number of children, or \$360, whichever is lesser. If there is no spouse annuity is equal to ½ employee's annuity, \$1,200 divided by number of children, or \$480, whichever is lesser.
Lump-sum death benefit.....	Upon death of an employee, his individual account with interest is payable; upon death of an annuitant, any accrued annuity, and any unexpended balance remaining to his credit are payable.	If an employee dies without leaving a survivor qualified for annuity, his individual account with interest is payable. If all qualified survivor annuities are terminated before an amount equal to the individual account has been paid, the balance is payable with interest. If an annuitant dies before he and any qualified survivors have received an amount equal to his individual account with interest the balance and any accrued annuity are payable.
Tontine.....	Sets aside \$1 for each month of service after June 30, 1930, which is returned to employee only in event of involuntary separation.	Abolishes tontine in accounts of all present employees. All deductions made are immediately credited to employee's individual account.
Military service.....	Optional deposit required for full credit for services after July 31, 1920.	Full credit allowed without deposit. Military service credited only after at least 5 years of civilian service.
Interest on individual account.....	4 percent through periods of service, and 3 percent through periods of separation after 5 years of service.	3 percent in all cases.

Comparison of some of the more important features of the present Civil Service Retirement Act, and the conference agreement on H. R. 4127—Continued

Feature	Present Retirement Act	Conference agreement on H. R. 4127
Deduction rate.....	5 percent.....	6 percent.
Effective date.....		First day of the second month following the month of approval except for (a) the increase in deduction rate which is the first day of first pay period after June 30, 1948; (b) interest rate, Jan. 1, 1948; (c) survivor benefits, date of approval; (d) involuntary separation after 25 years of service, July 1, 1947.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. MURRAY of Tennessee. I yield.

Mr. DONDERO. Does the bill provide for a reduction in the contribution on the part of the Federal employees?

Mr. MURRAY of Tennessee. No; the bill provides that the previous contribution of the Federal employee of 5 percent shall be increased to 6, an increase of 20 percent.

Mr. DONDERO. What about the contribution on the part of the Federal Government?

Mr. MURRAY of Tennessee. There is no fixed contribution on the part of the Federal Government. Each year usually Congress appropriates about \$200,000,000 to this fund. The civil-service retirement plan was started in 1921, but the Government did not begin contributing to the fund until 1929.

Mr. DONDERO. The reason I asked the question was that the amount of the retirement fund now seems to be so large as not to require an increase in the contribution on the part of the employees.

Mr. MURRAY of Tennessee. I cannot agree with the gentleman from Michigan because of the increased costs that will be brought about by this bill due to larger annuities and the provisions for widows and for children under 18 years of age.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Kansas.

Mr. REES. I want to emphasize the statement that the distinguished gentleman from Tennessee has made to the effect that this report is a unanimous report of the conferees on both sides of the Capitol, the other body as well as the House.

Mr. MURRAY of Tennessee. Mr. Speaker, I may say that about \$30,000,000 of the increased cost is due to the provision increasing the annuities of present retired employees. We felt that the annuities of the retired employees at this time are too small, especially those in the lower brackets; therefore the conference report provides that every retired employee now drawing an annuity shall receive a 25-percent increase in his present annuity, or \$300 per year, whichever is the lesser amount. In other words, an annuitant now drawing \$1,200 per year or less will get a 25-percent increase. An annuitant drawing \$2,500 or more will get an increase of \$300 as the maximum.

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. STEVENSON].

Mr. STEVENSON. Mr. Speaker, on July 21 last the House unanimously passed H. R. 4127 which I sponsored as

chairman of the Subcommittee on Retirement Legislation of the Committee on Post Office and Civil Service; on January 23 the Senate passed an amended H. R. 4127. I am happy to report that the conferees have agreed on a bill that represents a great achievement on the part of the Eightieth Congress. I am certain that the House will accept the report of the conferees and that this action will reflect great credit on Congress. The improvements contained in this measure are the most important changes made since the retirement act was first enacted in 1920. The amendments contained in H. R. 4127 were dictated by experience, changing conditions, and demonstrated need. From an administrative viewpoint changes indicated by the experience of 27 years have been placed in operation. H. R. 4127 will result in great improvement from the standpoint of administration. With the passage of H. R. 4127 the Government employee for the first time will be able to compute his annuity without the help of an expert. He will be able to actually figure his annuity without resorting to actuarial factors and complicated tables. Yes, without a doubt the amendments contained in H. R. 4127 represent the greatest single advance in the history of retirement legislation.

This bill establishes new methods of computing annuities to replace the three complicated measures in the present law. The new formulas provide a credit of \$25 for each year of service plus 1 percent of the average salary for five consecutive years multiplied by the number of years' service or 1½ percent of the average salary for five consecutive years multiplied by the number of years of service. The Senate amendment limited the number of years of computable service to 35 years, but the conferees agreed on a different type of limitation. Under the agreement in the conference report there is no limit on the number of years of service, but the annuity in no case can exceed 80 percent of salary.

The new formulas will bring the annuity of the employees closer to the relative comparative position existing with relation to salary. Too wide a discrepancy between salaries and annuities has the effect of keeping men in the service long after they should retire. It has the effect of creating hidden annuitants, employees who remain on the rolls on full pay after the period when they should retire. Writing in the American Economic Security Magazine published by the United States Chamber of Commerce, Mr. Marion B. Folsom, treasurer of the Eastman Kodak Co., stated:

The prime purpose of a retirement plan, of course, is to enable the company to retire an employee on a pension when he has passed his period of usefulness. If the employee

has had long service, the management naturally hesitates to release him if it knows he will have to take a sharp reduction in his living standards. Without a pension plan, the employer may keep such a worker on the force, at least for a few years. As a result there is a pension cost which is buried among other costs. In actual practice, a direct saving in pay roll is a substantial offset to the current cost of the pension plan.

H. R. 4127 provides an increase of \$300, or 25 percent, whichever is lesser, for all employees now on the retired rolls. These employees are in sore need of relief. They contributed real dollars to the retirement fund, and in return have been receiving dollars sharply reduced in purchasing power. These annuitants have had a precarious time trying to meet rapidly rising living costs. I am pleased that we are able to bring these annuitants a measure of happiness.

One of the great defects of the present Civil Service Retirement Act has been its failure to provide for widows and dependents. The Railroad Retirement Act provides for widows' annuities. Social Security provides for widows and dependents. The Dominion Retirement Act covering government employees in the Dominion of Canada has had such a provision for a number of years. The passage of H. R. 4127 will remedy this defect; it does provide for the widows' and dependents of civil-service employees. The benefits that will arise to all as a result of these provisions are incalculable.

The employees are bearing a large share of the increased cost of the bill in that the deductions from their salaries are being increased from 5 to 6 percent. The benefits provided in the bill justify the increased deductions for every single employee. All will benefit; the family benefits are outstanding, but the benefits for others are substantial. In passing this legislation we are making great strides in good personnel policy. The passage of H. R. 4127 will rank with the top achievements of this Congress. This bill represents the greatest advance in retirement legislation in the history of the Congress.

I am happy to have had a part in the sponsorship of this retirement legislation.

(Mr. STEVENSON asked and was given permission to revise and extend his remarks.)

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Speaker, it has been my privilege to work on this legislation in the subcommittee and then in the full Post Office and Civil Service Committee. This is a progressive step which will result in higher prestige for Government employment and better service from Government employees.

Mr. Speaker, I urge favorable consideration of this legislation at this time by the Members of the House of Representatives.

(Mr. BATTLE asked and was given permission to revise and extend his remarks.)

Mr. REES. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I am pleased to lend my voice and support to this measure which we have before us today. Chairman REES and Congressman MURRAY of Tennessee have given the changes the conference report has made in H. R. 4127, as it passed the House. I would like to just make a brief statement as to some of the major changes that this legislation, when enacted into law, will make in our Retirement Act.

We are substituting for the present actuarial basis a more simplified method of computing retirement benefits. We are permitting employees to count all years of service for retirement and eliminating the present limitation of 35 years. We are providing for the surviving widows and children of employees and annuitants. Finally, we are increasing by 25 percent, or \$300, whichever is the lesser, the annuity of retired employees.

On this latter point I believe this legislation has great merit. Many of the retired employees received very low salaries during the time of their employment with the Government. They did not have the opportunity for a high 5-year average of earnings enjoyed by the employees at the present time and during the war years. Many of our annuitants are receiving less than \$800 a year. I am sure that the \$300 additional, while not adequate to meet all their needs, will be very helpful to them.

My own inclination would have doubled this sum and given them an approximate minimum of \$1,400 a year. People cannot live in this day of high prices on the miserly sum we allow these faithful former employees.

It can be seen by this measure that our retirement system is a growing thing, extending its coverage and benefits to the Federal employees. As the gentleman from Tennessee [Mr. MURRAY] stated, the entire payment of funds, until 1930, was made from the contributions of the employees, and until that time the Government had not made any appropriations for the fund. Most of these people, whom we are helping by increasing the annuities of retired employees, are the individuals who, through those years, alone and without Government assistance, kept this retirement fund solvent. I look upon this increase for the present annuitants as a fitting recognition of their faith and service in and to the retirement fund. Government is not breaking faith with these people.

This bill represents a step in the right direction, and I am proud to have had a part in its formation. Government should be the ideal employer; and, while we have a long way to go, we have offered a pattern that can be followed by the

States, their political subdivisions, and industry generally.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. REES. Mr. Speaker, I ask unanimous consent that all Members may have permission to insert their statements at this point in the RECORD on the pending conference report.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BUTLER. Mr. Speaker, the chairman of the House Post Office and Civil Service Committee and also chairman of the conferees, Mr. REES, has just clearly stated the provisions of the House bill (H. R. 4127) as it passed the House and pointed out the differences between the House bill and the conference agreement, which is before the House for approval.

As one of the managers on the part of the House, I am pleased that we were able to present a conference report which so nearly follows the measure the Members of the House originally approved. I am sure that the great body of Federal employees subject to the civil-service retirement laws who will benefit under the liberalizing provisions of this act are enthusiastic over the result.

It is not my desire to make a detailed analysis of the provision of the bill but I would like to emphasize that in this measure we are providing for, first, a more simplified method of computing retirement benefits; secondly, permitting employees to count all years of service; third, providing for the surviving widows and children; and fourth, increasing by 25 percent or \$300 the annuity of retired employees.

The Federal employees themselves are paying for a substantial portion of these benefits by increasing their contributions from the present 5 percent of their income to a 6-percent rate.

I can recommend this bill as the product of diligent and careful consideration by both the Senate and House conferees.

Mr. YOUNGBLOOD. Mr. Speaker, under leave to extend my remarks I would like to make the following statement:

H. R. 4127, a bill to liberalize the Civil Service Retirement Act, today passed the House of Representative. I am proud to state that this bill is one which I not only voted for on the floor of the House but one which, as a member of the Post Office and Civil Service Committee, I was instrumental in having reported out of committee and in drafting in its present form.

It is legislation of this type, constructive and forward-looking, which should be passed to reward our hard-working and deserving employees.

I repeat, I am proud and happy, too, to have had a share in this legislation.

Mr. MURDOCK. Mr. Speaker, this is a piece of legislation which I have long supported and have been anxious to see enacted. I believe we are putting the finishing touches on it today, as far as Congress is concerned. No doubt the

acceptance of this conference report will complete the process not only in the House but very probably in the Senate, and I think that there is no question but that the President will sign it.

During the past several years I have received many pathetic letters from retired Government employees stating that their retirement benefits were not sufficient in these days of rising costs of living. They have asked for some relief through increased benefit payments. Since these retirement benefits are computed on an actuarial basis it was obvious that only the generosity of the Government could increase these heretofore fixed benefits. In this bill the Government does make that increase so that those who have already retired will be granted a 25-percent increase, or \$300 a year more, in payments, whichever is the lesser. Such increase will be a distinct help to such retired employees.

I am pleased, too, that legislative employees here on the Hill may also elect to come under the provision. As I understand the measure, there will be substantial benefits to our secretaries and office-staff members even though they are not likely to be for so many years in the Government employment as are the other Federal employees. This change in the Retirement Act liberalizes these provisions, and I think will be very significant and helpful for the members of our office staffs. True, the deductions for all are increased, but the benefits are worth more than the employees are paying because of the generous payments made by the Government itself.

Mr. REES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEIN, for Tuesday, February 24 and Wednesday, February 25, on account of illness.

To Mr. HUGH D. SCOTT, JR. (at the request of Mr. SIMPSON), from February 24, 1948, to March 15, 1948, on account of official business.

To Mr. CHIPERFIELD (at the request of Mr. ARENDS), indefinitely, on account of official business.

To Mr. REEVES, for 1 day, on account of illness.

EXTENSION OF REMARKS

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include an article that he wrote for the Republican Magazine entitled "Inflation Comes From the Acts of the Government."

URGENT DEFICIENCY APPROPRIATION ACT, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the

bill (H. R. 5525) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 30 minutes, the time to be equally divided between the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserving the right to object, I have requests for time in excess of 30 minutes. Can the gentleman make it 45 minutes on a side?

Mr. TABER. Would not 30 minutes be sufficient?

Mr. CANNON. Not to exceed 45 minutes on a side. We might not use all of the time.

Mr. TABER. Mr. Speaker, I ask unanimous consent that general debate continue for 1½ hours, the time to be equally divided between the gentleman from Missouri [Mr. CANNON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the bill be read under the 5-minute rule?

Mr. TABER. Oh, yes. I may say that in my opinion there are no controversial items in the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5525, with Mr. McGRIGOR in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, there are about 25 or 30 items in this bill totaling \$131,000,000. There are a few routine items for the House of Representatives, including coal for the Capitol Power Plant. There is an item required for the Commission on Organization of the Executive Branch of the Government. There is an item for the Federal Mediation and Conciliation Service, which is needed right away to carry them on. There are items for the Federal Security Agency; \$3,300,000 for the Bureau of Employees' Compensation; \$1,583,942 for grants to States for the further development of vocational education; \$15,000,000 to the Public Health Service to take care of the money falling due under contract authorizations in the hospital construction program; \$101,000,000 to the Social Security Administration for grants to States for old-age pensions. There is an item for the Housing and Home Finance Agency to permit the accelerated operation of mortgage-guaranty items, an increase in the limitation by \$200,000. There is

an item for the Philippine War Damage Commission, an administrative expense authorization, of \$275,000, payable out of other funds. There are items for the District of Columbia totaling \$801,000 which are necessary at this time. For the Agricultural Department, for insect investigations and that sort of thing, approximately \$1,500,000. For fighting forest fires about \$5,500,000, and there is an item for the Commerce Department for the Coast and Geodetic Survey to cover some critical territory up around Alaska.

These are items that had to be brought in at this time and made available before the 1st of March, and have, therefore, been gathered together out of the deficiency estimates before action upon the larger portion of the estimates could be considered and could be taken care of.

I do not think it is necessary to say anything more about the bill at this time.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. Does this bill carry appropriations for the settlement of court claims where a citizen has sued the Government and action has been completed?

Mr. TABER. Where the items have been submitted to us by the Budget; yes.

Mr. MILLER of Connecticut. Will this be the last bill of this session for that purpose?

Mr. TABER. No; there will be a bill which I hope to have out here about the 11th of March, which will have the larger items of deficiency suggestions before us. Then there will be another bill in May.

Mr. MILLER of Connecticut. Would it be feasible to set up an annual appropriation for the payment of those claims so that when a person brings suit and wins that suit there will not be such a long delay in settlement? I have an accident case in my district where the court awarded the living members of the family that were left after the accident \$73,000. The family is practically destitute today.

Mr. TABER. There should be no substantial delay in that. The small items are taken care of quickly now.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. HAND. May I ask the gentleman if this is true: I have been advised that the Marketing Division of the Fish and Wildlife Service has completely run out of money so that they are now preparing the usual marketing reports which are of great value to the commercial fishing industry but do not have enough money to mail them to their list of subscribers. I wonder whether that item has been called to the attention of the gentleman or his committee and what the status of it may be. I do not believe it is in this bill. I have just looked through it hurriedly.

Mr. TABER. I remember that came up, but I cannot tell the gentleman just at the moment whether or not it is in the bill.

Mr. HAND. I would assume it involves very little money, yet it is a service of great importance to the commercial fishing industry.

Mr. TABER. I do not think they are very bad off on it. I think that when the other bill comes along it will carry anything of that character that has to be done. The other bill will be along in about 2 weeks.

Mr. HAND. I thank the gentleman.

Mr. CANNON. Mr. Chairman, I am certain every Member of the House read with surprise and indignant disapproval an editorial which appeared in a local paper yesterday, or the day before, in which this statement is made:

Several chairmanships of key committees—

Of the House of Representatives—

are held by doddering old men who are no longer able to keep pace with the exacting demands of the age in which we are living. Others are in the hands of misfits and reactionaries who no longer have the feel of the public pulse, if they ever did. These men have been exerting an influence upon policy making out of all proportion to their numbers because of the strategic positions that age and length of service have given them.

The two most powerful committees in the House are under the sway of chairmen who are sadly out of step with the most vigorous and constructive elements in the Republican Party.

We doubt that JOHN TABER, of Appropriations, would have a look-in if committee chairmanships were distributed on the basis of merit.

I realize, Mr. Chairman, that whenever a man is elected to Congress he thereby abandons any claims to justice, courtesy, or protection against any slander or calumny with which any man, either in the press or privately, may desire to assail him. But I do not think in all my recollection that I have seen a more flagrant abuse of that broad license than in this particular instance.

There have appeared recently in practically every national magazine, including the Saturday Evening Post, Life, Fortune, and notably last Sunday's magazine section of the New York Times, articles on the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER] of a highly laudatory character. In all of these and numerous other articles on the work of the gentleman from New York, Chairman TABER, which have appeared during the entire Congress there has never been a single suggestion of any such criticism and abuse as is contained in this scurrilous editorial. There has never been upon the part of any Member of the House or the other body at any time since the gentleman from New York [Mr. TABER] assumed the chairmanship of the Committee on Appropriations any suggestion or intimation of this character.

Mr. Chairman, I told no brief for the gentleman from New York, JOHN TABER. He is wrong oftener than he is right. Like Ephraim, "he is joined to his idols"—reactionary Republican principles. But I must say that from my observation, which covers several sessions of Congress, there has been no more aggressive, vigorous, intelligent, constructive leadership upon the part of any committee chairman in either body in

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
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HIGHLIGHTS: Senate passed measure authorizing grain allocation for alcohol. Senate committee reported urgent deficiency appropriation bill which includes items for BE&PQ and FS; added funds for school-lunch program. Senate committee reported foreign-aid bill. Senate agreed to conference report on bill amending Civil Service Retirement Act. Sen. Morse opposed discontinuance of Ft. Reno (Okla.) in proposed transfer of Remount Service from Army Department to USDA. House committee reported foot-and-mouth disease research bill. House completed Congressional action on bill to continue until May 31, 1948 export-import controls and allocation powers.

SENATE

1. **GRAIN ALLOCATION.** Passed with amendments S.J.Res. 186, to authorize allocation and inventory control of grain for the production of ethyl alcohol (pp. 1814-24).

Agreed (54-16) to an amendment by Sen. Cooper, Ky. (for himself and Sen. Barkley, Ky.) to provide that "subject to the requirement that the minimum allotment to any distilling plant shall be 6,000 bushels per month, the percentage of the total monthly allocation of grain allotted to a distiller used of the total amount of grain which that distiller used of the total number of bushels used for distilling by the entire distilling industry from December 1, 1946, to June 30, 1947, inclusive."

Rejected an amendment by Sen. Kilgore, W.Va., to set Jan. 31, 1949, as the expiration date. (p. 1824).

The measure provides for allocation until Oct. 31, 1948, of not less than 2½ million bushels of grain per month and a 6,000-bushel minimum would be allowed to each plant, with transfers only in cases of "exceptional or unreasonable hardship," and the entire program would be terminated if corn prices reach support price level for a period of 20 days.

2. **PERSONNEL; RETIREMENT.** Agreed to the conference report on H.R. 4127, to amend the Civil Service Retirement Act (pp. 1795-809). For a summary of the provisions of the conference agreement see Digests 28 and 29. The bill will now be sent to the President.

3. FOREIGN AID. The Foreign Relations Committee reported without amendment S.2202 to promote the general welfare, national interest, and foreign policy of the U.S. through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world (S. Rept. 935) (p. 1786). Sen. Vandenberg, Mich., announced that the report is not to be printed until Saturday and will probably be available Monday, and that it is his understanding that the Senate will begin consideration of the bill on Monday, Mar. 1 (p. 1786).

The bill, a proposed Economic Cooperation Act of 1948, contains the following provisions: Establishes an Economic Cooperation Administration to be headed by an Administrator with Cabinet rank to be appointed by the President and confirmed by the Senate. Limits to 60 the number of employees who may be appointed under the act without regard to the Classification Act of 1923, not more than 10 of whom may be compensated at a rate in excess of \$10,000 per annum and not in excess of \$15,000. The Administrator is authorized to review and appraise requirements of participating countries, formulate programs of U.S. assistance under the act, provide for efficient execution of such programs, and terminate assistance to the several countries. Directs the Administrator and Secretary of State to keep each other informed on matters within their respective scope of duties and, in differences of views not adjustable by consultation, to refer the matter to the President for decision. Includes the Administrator as a member of the National Advisory Council on International Monetary and Financial Problems. Creates a Public Advisory Board to be composed of the Administrator and 12 members appointed by the President and confirmed by the Senate and who shall be other than officers or employees of the U.S. Provides for a U.S. Special Representative in Europe. Establishes in each participating country, except occupied German zones and Trieste, a special mission for economic cooperation. Authorizes the Administrator to provide assistance through procurement from any source, including Government stocks, of any commodity he determines to be required; processing, storing, transporting and repairing any commodities; procurement of and furnishing technical information; with the President's approval, placing in operating condition and chartering to participating countries not more than 300 dry-cargo U.S. merchant vessels for period extending not longer than Dec. 31, 1952; or transfer of any commodity or service. Authorizes the Administrator to establish accounts against which participating countries may issue letters of commitment or make withdrawals; utilize services and facilities of any Government department or agency; make guaranties to any person of investments in connection with approved projects. Provides that assistance may be made through grants or upon payment in cash, or on credit terms. Directs that the Administrator shall procure commodities in the U.S. in such a way as to minimize the drain upon U.S. resources and the impact upon domestic economy and so as to avoid impairing fulfillment of vital needs of the people of the U. S.; to procure petroleum and its products to the maximum extent possible from outside the U.S.; and, in procuring agricultural commodities in short supply within the U.S., provide for procurement in amounts in approximate proportion to the total exportable supply of each class or type of such commodity. Provides for reimbursement to other Government departments and agencies for commodities, services, etc., and disposal of any commodity in lieu of transfer of such commodity to a participating country. Authorizes an RFC advance of \$1,000,000,000 pending appropriation of the authorized amount of \$5,300,000,000 for one year for the program. Authorizes the Secretary of State to conclude bilateral and multilateral agreements with the participating countries. Authorizes the Administrator to terminate assistance to a participating country where a country does not adhere to its agreement or because of changed conditions, assistance

eastern railroads fear the development of a new competitive transportation route; eastern and southern ports fear some diminution in their commerce and revenues; coal miners fear the competition of hydroelectric power; and private utility interests, lurking behind the scenes, fear that they will not receive their due share of profits from the power development of the St. Lawrence River, under public auspices. All of these fears are unfounded because a project which is in the national interest will bring great benefits, not injury, to the entire Nation and to our friendly neighbor, Canada.

The United States is today admittedly power deficient, transportation deficient, and security deficient. If we are to measure up to our stature as a nation and to our new responsibilities as a preeminent world power, we must have the courage to rise above sectional considerations and to pursue policies and projects which will not only add strength to our national sinews but will reassure the entire world that America will continue to progress and prosper. Our democratic institutions and our governmental policies must meet a new test and a new challenge—not only the criteria of what is good for America but what best example we can offer the entire world.

Our obligation to maintain domestic prosperity and to demonstrate to the world the strength and integrity of American democracy requires that we as a nation have the courage and the integrity to use our natural resources wisely, to honor our commitments to a friendly neighbor, and to develop with foresight all of our resources and highways of commerce so that our domestic and foreign objectives may be translated into effective action.

The people of Milwaukee and Wisconsin are grateful to you and your colleagues for the leadership you have given a great project. The St. Lawrence project gains in stature with each passing year, and its development is as inevitable as was the Panama Canal.

Most sincerely,

JOHN L. BOHN,
Mayor.

CITY OF DETROIT,
February 25, 1948.

The Honorable ALEXANDER WILEY,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR WILEY: There are no terms too strong to express my disagreement with the opponents of the St. Lawrence legislation that "this is not the time to proceed." The claim that a policy of national economy does not permit "such a huge expenditure" is beside the point. We are asking ratification only, and not pressing for appropriations, which can if necessary wait until the American economic picture is clearer.

Certainly even the present estimated costs are less than 1 percent of the Federal budget of today and are correspondingly small in proportion to the projected relief that the Marshall plan will grant for European relief and reconstruction. While we are helping Europe we should also help ourselves to do that job, with the expansion of our Midwest industry and agriculture the view of one State or one industry against the good of all industry and all of the Nation's people, should once and for all be routed by an affirmative vote on this question before the Senate of the United States on Friday, February 27.

Yours very truly,
EUGENE I. VAN ANTWERP,
Mayor.

VERMONT STATE FARM BUREAU, INC.,
Burlington, Vt., February 17, 1948.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: I am writing this letter to ask you to urge your associates in

the United States Senate to pass Senate Joint Resolution 111, known as the St. Lawrence resolution.

Twenty years is long enough to wait for an inland waterway and power development which will benefit millions of people in the North-Central and Northeastern part of United States. We have never been backward in Vermont in urging our Senators and Representatives to pass legislation which will help people in other parts of the Nation. We, in Vermont, are pleased that the people in southern United States have the benefit of the TVA.

Last year I had the privilege of looking over the Grand Coulee Dam in Washington and I saw the great advantages which it gave to the people of this area both in power and irrigation.

There are many other projects which are a blessing to the people of this Nation which have been made possible by national legislation. We are asking for the St. Lawrence waterway and sea development. We know that it will mean progress to all of this part of the Nation. You will only have to examine the annual report of the Federal Power Commission for 1945 and 1946 to see that we are in the highest rate power area in the Nation.

Very truly yours,

A. H. PACKARD,
President.

FARMERS UNION CENTRAL EXCHANGE, INC.,
St. Paul, Minn., February 24, 1948.
Re St. Lawrence resolution.

The Honorable ALEXANDER WILEY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: At the last two annual meetings of the stockholders of the Farmers Union Central Exchange resolutions were unanimously adopted endorsing the St. Lawrence seaway project.

We understand that a vote will soon be taken on the bill which is presently before the Congress and we feel confident that the farmers who make up this organization would be pleased if the Congress would approve of the St. Lawrence seaway project.

Our stockholders will be in session again at their annual meeting commencing March 15 and undoubtedly they will again go on record in favor of this project. Should they do so we will forward certified copies of their resolution.

Yours very truly,
E. A. SYFTSTAD,
General Manager.

The Farmers Union Central Exchange, a regional farm supply cooperative, doing business in the five Northwest States of Montana, North and South Dakota, Minnesota, and Wisconsin, comprised of 400 local cooperative companies with a membership of 150,000 farmers, assembled in annual convention at St. Paul, Minn., this 21st day of February 1946, does hereby adopt the following resolution:

"The people of the United States are now faced with a problem of expansion of their economic life which would necessitate the obtaining of modern and economical transportation facilities in order to give the millions of farmers, workers, and businessmen a wide opportunity to apply their skill and knowledge for the exploration of our vast natural and industrial resources and enhance the prosperity of the country as a whole.

"The development of the St. Lawrence seaway project presents one of the ways of enlarging our transportation system to economically utilize our productive capacities by the stimulating of world and domestic trade through lower cost of transportation. It will stimulate the agricultural and industrial activities of the Great Lakes area which is the key region of the agriculture and industry of America.

"We, the delegates, representing 150,000 Northwest farmer members of the Farmers Union Central Exchange, heartily endorse and recommend that every effort be made toward the immediate opening of the St. Lawrence deep waterway transportation which will give our land-locked Midwest an opportunity to expand its economic activities."

I, Madge I. Hughes, assistant secretary of Farmers Union Central Exchange, Inc., do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the delegates at the annual meeting of stockholders of said corporation on February 21, 1946.

In witness whereof, I have hereunto set my hand and affixed the seal of the Farmers Union Central Exchange, Inc., this 24th day of February 1948.

[SEAL]

MADGE I. HUGHES.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hawkes	Moore
Baldwin	Hayden	Morse
Barkley	Hickenlooper	Murray
Bricker	Hill	Myers
Bridges	Hoey	O'Connor
Brooks	Holland	O'Daniel
Buck	Ives	O'Mahoney
Bushfield	Jenner	Overton
Butler	Johnson, Colo.	Pepper
Byrd	Johnston, S. C.	Reed
Cain	Kem	Revercomb
Capehart	Kilgore	Robertson, Va.
Capper	Knowland	Russell
Chavez	Langer	Saltonstall
Connally	Lodge	Sparkman
Cooper	Lucas	Stennis
Cordon	McCarran	Stewart
Donnell	McCarthy	Taft
Downey	McClellan	Thomas, Okla.
Dworshak	McFarland	Thomas, Utah
Eaton	McGrath	Thye
Ferguson	McKellar	Umstead
Flanders	McMahon	Vandenberg
Fulbright	Magnuson	Watkins
George	Malone	Wiley
Green	Martin	Williams
Gurney	Maybank	Wilson
Hatch	Millikin	Young

Mr. KNOWLAND. I announce that the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

CIVIL-SERVICE RETIREMENT BENEFITS—CONFERENCE REPORT

Mr. LANGER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4127) to amend the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed

to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 1. (a) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.

"(b) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.

"(c) Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

"(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years."

"SEC. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed 15 years of service computed as provided in section 5 of this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

"(b) No person who is receiving an annuity under the provisions of this Act and

who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service."

"SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

"(b) Section 3 (a) of the act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948."

"SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) $1\frac{1}{2}$ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That in no case shall the annuity exceed an amount equal to 80 per centum of the highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

"(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

"(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of

the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than 10 years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

"(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

"(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term "basic salary, pay, or compensation", wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

"SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

"SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed as provided in section 5 of this Act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, became totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age sixty and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may

order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

"SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

"(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

"(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service."

"SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

"In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted."

"SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947 and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the "civil-service retirement and disability fund" a sum equal to 2½ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; 3½ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in instalments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

"SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum of his annual

basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of \$7 for each \$100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity purchased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (e).'

"SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the "civil-service retirement and disability fund" created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

"(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such

officer or employee: *Provided*, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity terminable upon death, remarriage, or attainment of age 50. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

"(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

"(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

"(d) As used in this section—

"(1) The term "widow" means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

"(2) The term "child" means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

"(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission

may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

"(e) In any case in which—

"(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

"(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established,

the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(g) In any case in which—

"(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (c) of this section, or

"(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

"(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate,

before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

"(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the estab-

ishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the duly appointed executor or administrator of the estate of such person;

"Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

"(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

"(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

"(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act."

"Sec. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

"Sec. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that

time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

"SEC. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

"SEC. 15. Except as otherwise provided herein, this Act shall become effective on the first day of the second month following the month of approval."

And the Senate agree to the same.

WILLIAM LANGER,
RAYMOND BALDWIN,
RALPH E. FLANDERS,
DENNIS CHAVEZ,
OLIN D. JOHNSTON,

Managers on the Part of the Senate.

EDWARD H. REES,
WM. H. STEVENSON,
JOHN C. BUTLER,
TOM MURRAY,
JOHN E. LYLE,

Managers on the Part of the House.

Mr. LANGER. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

Mr. DWORSHAK. Mr. President, reserving the right to object, I should like to inquire if the junior Senator from Delaware [Mr. WILLIAMS], who is a member of the committee, and has been interested in this proposed legislation, has been advised that the report is to be considered at this time?

Mr. LANGER. Yes; he has been advised.

The PRESIDENT pro tempore. The Senator from Delaware is in the Chamber at the moment.

Is there objection to the present consideration of the conference report?

Mr. CAIN. Mr. President, reserving the right to object, I inquire whether or not an objection can be made after the presentation by the Senator from North Dakota.

The PRESIDENT pro tempore. If there is objection to proceeding by unanimous consent, a motion is in order to proceed to the consideration of the report, and such a motion is not debatable.

Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. LANGER. Mr. President, in connection with the conference report on the civil-service retirement bill I desire to make a few comments which are especially appropriate at this time.

The Committee on Post Office and Civil Service, which originated this legislation, began its consideration of this important subject a year ago. The Congress now is about to submit for Presidential signature a new and liberalized benefit program for employees of the United States Government. This program is new in the sense that widows and orphans of employees dying in service or following their retirement will be allowed annuities and not merely the return of the contributions paid into the fund by the recently deceased husbands or fathers.

As all of us realize, since August 1, 1920, when the retirement system was established, dependents did not share in the benefits derived from the invest-

ment in civil-service retirement annuities.

Here we have a bill whose retirement features are both liberalized and simplified. Anyone knowing his length of service and his highest average salary over five consecutive years will have no difficulty determining the amount of annuity to which he is entitled. If he is 55 years of age and has rendered 20 years of service, he may retire on an annuity slightly reduced from that which he would receive if he were retiring at age 60. This means that the reduction in annuity under such circumstances now will be only 15 percent, as compared with 33 percent under the old law.

The annuity payable at age 60, however, is approximately 25 percent larger on the average than the old law provided. Those who are forced out of their jobs through no fault of their own after having served 25 years now may retire regardless of age, and may receive an annuity reduced by 3 percent for each year they are under age 60. Thus, we have liberalization both in age and service requirements for purposes of retirement.

Further liberalization is provided in the allowance of each year of service in the annuity computation as contrasted to maximums of 30 and 35 years under the old law. In addition, upon retirement a husband may provide an annuity for his wife to begin at his death by electing an annuity slightly reduced from that payable to him on a single-life basis. The reduction is 10 to 25 percent, depending upon the age of the wife, as contrasted with 20 to 50 percent under the expiring law.

From the standpoint of the wives and children of Government employees, the new benefit program is a shining milestone of progress because these are the persons so sorely injured through the loss of the heads of families.

The Government as the employer may properly search its conscience in providing one employee who retires and lives a long time thereafter with a retirement benefit having considerable value while, with respect to another employee who died in service after a similar employment history, the Government sustains no expense. This situation, related as it is, will no longer exist where there are dependent survivors. In other words, no longer will the death in service of a married man mean a profit to the retirement fund. Why such a situation has existed in this country is puzzling, as it appears that every other leading country made provision for dependent survivors of employees, just as they did for their aged employees.

Mr. President, there are other features which will be explained by the real author of the bill, the Senator from Ohio [Mr. TAFT].

Mr. President, we all know that the course of legislation is not always smooth. Bills face many pitfalls before they are finally enacted into law.

This has been particularly true of the civil-service retirement bill. We tried in the Seventy-ninth Congress and again in the first session of the Eightieth Congress to secure the passage of a bill to broaden and liberalize the retirement

system. We tried to write a law to bring the system abreast of the times. We tried to correct the inequities which have been working against retired Government workers who have given years of faithful service in the public business.

But every time we got our bills in the position for committee action or report, something would crop up to prevent final action. Controversies of one sort and another divided us in committee and resulted in a division between the two Houses of Congress.

Recently the situation was in this shape when the senior Senator from Ohio [Mr. TAFT] helped us to advance the legislation. He made the bill a matter of Republican policy and was unanimously supported in his view by the policy committee which he heads. Even though he was extremely busy, he took the bills in controversy and produced a draft which in the main reconciled the differing views on the principal provisions.

With my full support, the Senator from Ohio presented his draft on the floor, and we made it the Senate bill and passed it. In conference with the House, again assisted by the Senator from Ohio, we reached final agreement on a bill equitable in principle, prudent in its provisions, and liberal to those who are in the civil-service system. In the survivorship provisions contributed by the Senator from Ohio, we protected the widows, children, and orphans of those who die after having faithfully served the Government.

I am happy to pay this well-deserved tribute to the Senator from Ohio. The Senator from New Mexico [Mr. CHAVEZ] graciously made the same observation when the bill was called up in the Senate. This bill should be called the Taft-Stevenson bill. And we all know how indebted we are to the Senator from Ohio for the advice and assistance he rendered in overcoming the legislative pitfalls and driving the bill through to enactment.

I may say that if this conference report is adopted, it will be a Magna Carta for the retirement of civil-service employees throughout the entire United States.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. WILLIAMS. Mr. President, there are several questions which I should like to ask of the senior Senator from North Dakota in reference to the conference report. I should like to have him explain some of the changes which have been made from the original bill as passed by the Senate and the reasons for the changes.

Mr. LANGER. I am prepared to state all the changes. Let me say, first, that several days ago, after the agreement by the conference committee on this proposed legislation, I called the attention of the Members of the Senate to the conference report which was being filed, and asked the Members to examine it carefully so that they would be familiar with its provisions.

I should say at the outset that in most respects the conference agreement is the same as the bill as amended in the

Senate. The House bill was passed last summer without objection. On July 21, 1947, the House approved House bill 4127, a bill to amend the Civil Service Retirement Act, as amended, and thus approved it in the form in which it was reported to the House by the House Post Office and Civil Service Committee. That is House bill 4127, which, as the distinguished Senator knows, was substituted on the floor of the Senate for the Senate bill.

On January 23, the Senate considered the House bill and passed it in amended form, thus necessitating the appointment of conferees for the purpose of reaching agreement on the points in dispute between the two versions of the House bill. Conferences were held on February 3 and February 6. Those meetings were attended by all the conferees, and many hours were devoted to diligent study of the retirement bill. Unanimous agreements were reached.

In my opinion, the bill as agreed upon will make an excellent retirement law. It represents a forward step in the Government's recognition of its obligation to Federal employees who have rendered many years of valuable service.

Mr. President, let me say that all of us appreciate very much the fine cooperation of the conferees. As I have said, and as has been pointed out very clearly by the distinguished chairman of the House Civil Service Committee, Representative REES, the conference report represents a definite forward step in the Government's recognition of its obligation toward faithful Federal employees who have devoted long years of service to the affairs of Government.

From the outset it was recognized that there is widespread recognition of the necessity for making important changes in the present retirement act.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. LANGER. I yield.

Mr. OVERTON. What did the conferees do with the Taft amendment?

Mr. LANGER. They adopted it, with the exception of the changes which the Senator from Delaware has asked me to explain, and which I am now explaining.

Mr. WILLIAMS. Mr. President, did I correctly understand the Senator from North Dakota to say that the conferees rather generally accepted the Taft bill as passed by the Senate?

Mr. LANGER. They took the original bill and the Chavez bill and the Stevenson bill and added portions of the Taft bill, and came in with a unanimous agreement.

Mr. WILLIAMS. I believe I understood the Senator from North Dakota to say, first, that the Senate adopted the House bill.

Mr. LANGER. Yes, and we call it the House bill.

Mr. WILLIAMS. But is the conference report the bill as passed by the Senate or the bill as passed by the House?

Mr. LANGER. I would say that the conference report contains roughly 60 percent, or perhaps a trifle more, of the original Langer-Chavez bill. For the most part, the conference report is the same as the amended House bill which was substituted on this floor. The im-

portant difference between the House bill and the conference report is the inclusion in the conference report of annuity benefits, under certain conditions, for children of deceased former employees. The new language in the conference report provides that, in addition to the percentage the widow may receive, each surviving child under the age of 18 years of a married male employee who dies in the service, leaving a widow, may receive not in excess of \$360 a year. I call attention to the fact that where there are three or more children, the maximum benefit thus received will be \$900. If the employee dies, and if there is no surviving widow, the annuity may not exceed \$480 a year for each child under the age of 18 years, subject to a maximum of \$1,200 where there are three or more children. According to estimates of the Civil Service Commission, this additional benefit, which was not included in the House bill, will increase the cost of the House bill by roughly \$4,000,000 per annum. I refer to this one provision, Mr. President.

In many respects, the conference report is the same as the House bill.

The principal provisions of the House bill are as follows:

First, retired employees now on the annuity rolls are to obtain increased annuity benefits or, in lieu thereof, are to be permitted to obtain certain benefits for their surviving spouse.

Second, provision is made for a more simple and equitable method of computing annuities, based on the number of years of service, which raises annuities by approximately from 20 to 25 percent, particularly with respect to those who will be retired within the next decade or so, and it raises annuities for those already retired a maximum of 25 percent or \$300, whichever is the lesser.

Third, the employee's contributions to the retirement fund are increased from 5 percent to 6 percent of each such employee's basic salary.

Fourth, retirement deductions are to be refunded to employees who have had less than 5 years of service. Optional refunds are provided for employees with from 5 to under 20 years of service, excluding military service; but contributions to the retirement fund from employees with 20 or more years of service, again excluding military service, are to be retained in the retirement fund until such age as annuities are provided.

Fifth, the so-called tontine or service charge, against Federal employees is entirely eliminated.

The main difference between the conference report and the House bill, as outlined in the conference report, pages 13 through 16, is as follows: First, the House bill provided that the annuity of an employee retiring voluntarily between the ages of 55 and 60, after 30 years of service, would be reduced by one-half of 1 percent for each month such employee is under 60 years of age. The conference report provides that the reduction shall be one-fourth of 1 percent for each month that such employee is under 60 years of age, according to section 1.

Mr. WILLIAMS. Mr. President, will the Senator yield to me at this point?

Mr. LANGER. I yield.

Mr. WILLIAMS. I did not quite understand what the Senator said with respect to the formula which would be used under section 1 (b). What did the Senator say the Senate bill provided in that respect?

Mr. LANGER. I do not understand the Senator's question.

Mr. WILLIAMS. What reduction in the basic annuity did the Senator say the Senate bill provided for in the case of employees covered under section 1 (b) covering employees at age 55 with 30 years service.

Mr. LANGER. Does the Senator refer to the cost?

Mr. WILLIAMS. No; I should like to know how much reduction the Senate bill provides in the basic annuity under section 1 (b).

Mr. LANGER. I still do not understand the Senator's question.

Mr. WILLIAMS. I am asking the Senator how much reduction under the Senate bill, an employee would have to take in his formula, after 30 years of service, at the age 55 as provided in section 1 (b).

Mr. LANGER. I just stated it.

Mr. WILLIAMS. Perhaps you did but I did not understand the statement.

Mr. LANGER. Very well, I shall state it again. Retirement deductions are to be refunded to employees who have had less than 5 years of service. Optional refunds are provided for employees with from 5 to under 20 years of service, excluding military service; but contributions to the retirement fund by employees with 20 or more years of service, excluding military service, are to be retained in the retirement fund until such age as annuities are provided.

Mr. WILLIAMS. That is not the question. I want you to explain what provisions were placed in the conference report to take care of the employee with 30 years' service, who retires at the age of 55. How much reduction does he have to take?

Mr. LANGER. One-fourth of 1 percent a month, instead of one-half of 1 percent. The conferees reduced it to one-fourth.

Mr. WILLIAMS. From which bill was that taken?

Mr. LANGER. From the House bill.

Mr. WILLIAMS. You say that was taken from the House bill?

Mr. LANGER. Yes.

Mr. WILLIAMS. But you are wrong; the House bill fixes the figure at one-half of 1 percent for each month the employee is under the age of 60, which is a reduction of 30 percent for the 55-year man.

Mr. LANGER. That is right.

Mr. WILLIAMS. What does the Senate bill provide?

Mr. LANGER. The Senate bill provided originally for one-half, and it was reduced to one-fourth.

Mr. WILLIAMS. Again I think the Senator is in error. It will be found that the Senate bill provided for an actuarial reduction which is approximately 40 percent.

Mr. LANGER. Of course the Senate provision was not included in the Taft bill at all. It was in the original Langer-

Chavez bill. Section 1 was entirely eliminated as the Senator knows.

Mr. WILLIAMS. In other words, as I understand the provisions in the conference report they are extended even further than either of the two bills which were carried to conference. Is that correct?

Mr. LANGER. I do not understand the question.

Mr. WILLIAMS. Is it not true that the benefits provided under section 1 (b) of the conference report extend further than and are more liberal than were the provisions of either of the two bills which were being considered by the conferees?

Mr. LANGER. I think that is true, and that in my opinion was a serious objection. However, we think it was entirely cured by the fact that when we got through with section 1, the total cost would not be greater than originally contemplated. Technically I should say the Senator is correct; but when it comes to a question of dollars and cents I should say the sections are the same.

Mr. WILLIAMS. I am not speaking of dollars and cents, I am merely asking where the provision in the conference report came from, because in reading Public Law 601, known as the Reorganization Act, I read this statement—

Mr. LANGER. Before the Senator reads it, I will tell him it came from a motion made by the Senator from Connecticut [Mr. BALDWIN] in the conference.

Mr. WILLIAMS. I am reading this provision, which is section 135 of the Reorganization Act:

In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

The provision, section 1 (B), which was adopted by the conferees apparently is not a germane modification. I have prepared a chart which has been approved by the Civil Service Commission itself, from which appears, taking an average case, that under the Senate bill as it went to conference, the employee would have an annuity of \$1,090, and under the bill as passed by the House they would have \$1,155; but the conference report makes the amount \$1,402, which is about 25 percent more than under the provisions of either of the two bills as they went to conference. Yet, the Reorganization Act, which limits the powers of conferees, provides very plainly that conferees may include in their report, in any case, such matter which is a germane modification of the subject of disagreement. If the Senator will consult the dictionary he will find that the word "modify" means to reduce, to lower to a lesser degree. In no sense does it mean that in any case the conferees shall have authority to increase benefits. Perhaps the Senator from North Dakota can explain his authority for that increase?

Mr. LANGER. Mr. President, am I to understand that the Senator from Delaware is raising a point of order?

Mr. WILLIAMS. No, no; I am merely asking for an explanation. I wish the Senator from North Dakota would explain the point that I have raised. I hesitate to raise a point of order. I thought perhaps there might be some reasonable explanation.

Mr. LANGER. The explanation is simply that the conferees sat down together and agreed to the motion made by the distinguished Senator from Connecticut. It was agreed to unanimously because it was thought to be right and it was further thought that the conferees had the authority. I may say that in spite of the statement that has been made by the Senator from Delaware, I still think the conference committee had a perfect right to do as it did. I think it is a good amendment.

Mr. WILLIAMS. Mr. President, I am not making the statement myself, I am quoting something that is found in the Senate Manual, rule 27 on page 41. It is section 135 of the Reorganization Act, a law for which the Senator from North Dakota himself voted. By that law, when one House has passed a certain bill and a substitute bill has been passed by the other House, the conferees consider both bills in conference. Under this rule, they may include in their report in any case matter which is a germane modification. The provision to which I have referred, section 1 (b), is germane, but it is not a modification, because by the admission of the Senator from North Dakota himself, it carries about 25 percent greater benefit than is provided in either of the two bills sent to conference. I should like the Senator to explain how he can reconcile the conference report with this rule.

Mr. LANGER. I may say to the Senator that the conferees do not consider that this is in any wise a violation of the La Follette-Monroney Act. If the Senator thinks it is, I suggest that he raise the point of order.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. TAFT. Does the Senator from North Dakota have the floor?

Mr. LANGER. Yes.

Mr. TAFT. Of course, in the respect referred to, the Senate bill made no change whatever in the existing law, which provided that a man who retired upon involuntary separation—

Mr. WILLIAMS. Mr. President, the language of the Senate bill and of the House bill is exactly the same, except that there is a difference in the formula. Under the Senate bill the employee takes an actuarial reduction which for the average employee gives him \$1,090. The House bill would give him \$1,155. The conference report raises him to \$1,402.

Mr. TAFT. Mr. President, as a matter of fact the Senate made no change whatever in the existing law. It did not deal with the question. It left the existing law standing exactly as it was. The House changed the existing law to pro-

vide that instead of receiving the actuarial equivalent of a deferred annuity at the age of 62, the employee would receive the value of the deferred annuity at the age of 62, less one-half of 1 percent for every month, or 6 percent a year. The modification which is found in the conference report is that he shall receive the deferred annuity at the age of 62, less one-quarter of 1 percent a month, or less 3 percent a year.

It is true therefore that the provision of the conference report results ultimately in a condition somewhat more favorable to the annuitant than resulted from the bill passed either by the Senate or by the House. But this provision takes in the provision of the Senate bill, and I think the Senate conferees would have a perfect right to say, "We will take this amendment in some modified form, whether such modified form is more favorable to the employee or less favorable." That does not seem to me to make the report subject to a point of order. One may question the wisdom of the conferees in doing that, but it seems to me there may be circumstances which would lead the Senate to say, "Well, if you are going to change it, we think this is the fair way to change it." So I can see no violation of the La Follette-Monroney Act.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Ohio whether he has read the background of this particular provision of the Reorganization Act at the time it was passed? In his opening statement, Senator La Follette, in describing that particular section, stated, as appears in the CONGRESSIONAL RECORD, that the purpose of that section of the law was to restrict the powers of conferees who in the past had written into their report legislation which was not committed to them.

Based upon the argument of the Senator from Ohio that the Senate bill contained no provision altering this section would still not change my statement that the maximum allowed under either House or Senate bill under section 1 (b) was \$1,155 whereas the conference report raises this to \$1,402. The act itself says the conferees can bring back any matter which is a germane modification. Why was the word "modification" used if it did not mean a reduction? This is not a debate of the merits of the formula, but I am saying that there is nothing in the act which says that the conferees had the power to make the increase. Furthermore, that particular provision applies only to bills which go to conference after one House has passed a different measure from that of the other House.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Vermont.

Mr. FLANDERS. In regard to the meaning of the word "modify," Funk and Wagnall's dictionary states—I do not know what official status it has in this august body, but it is the only available reference book at this time:

Modify. (1) To make somewhat different; to change more or less in character, properties, form, or application.

Now come the words "limit or restrict." That is an alternative to "vary," and so forth.

Mr. WILLIAMS. I should like to remind the Senator that the definition says "change more or less in character," but it also states that it is a reduction to a lower degree. I know the definition contains the word "more," but I should like to see a definition which says it can be changed more or less to a greater degree.

Mr. LANGER. It is not a reduction; it is an increase.

Mr. WILLIAMS. This is an increase; yes. But the word "modify" plainly implies that conferees may lower but may not increase. Former Senator La Follette, in his opening statement, said that was the purpose—to restrict the power of conferees to bring back matter which had not been sent to conference.

Mr. LANGER. I suggest that it is not a matter which would be subject to a point of order.

Mr. WILLIAMS. I am not raising a point of order. I merely wish to point out the fact that the conferees have brought back to the Senate—and I want Senators to understand it when they vote on the report—a provision which neither the House nor the Senate had voted on previously.

Mr. LANGER. Mr. President, I merely repeat what I said before. The conferees got together under the law. They had a right to reduce the figure from one-half to one-fourth. I still maintain it.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Vermont.

Mr. FLANDERS. The first definition is simply "to make somewhat different."

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Connecticut.

Mr. BALDWIN. The distinguished Senator from North Dakota has stated that in the conference between the Senate and the House on the bill I made a motion with reference to the particular feature now under discussion. I have no independent recollection of it. However, if I did make such a motion I shall certainly stand by it. My thought, Mr. President, would then have been, had I made the motion—and I do not say I did not make it—that a man who has been employed in the Government service for 30 years before he reached the age of 55 ought not to be severely penalized for retiring at that age and receiving his annuity. I have in mind the fact that under the Connecticut retirement act the provision is even more liberal than is the provision in the Federal act. On the basis that a man has rendered 30 years' service before he reaches the age of 55, it means he must have started in at the age of 25. For that reason it seems to me that in logic and justice he ought not to be penalized a full one-half of 1 percent a month for each month of each year prior to the age of 60, the age he normally would be required to reach in order to receive the full amount of his pension. The provision in the conference report is a more favorable provision than that contained in the

original legislation. It rests in sound justice, because, as I said before, when a man who has served 30 years reaches the age of 55, if he wishes to retire then and take his pension he can do so, subject to the penalty. The penalty is one-fourth of 1 percent a month instead of one-half of 1 percent a month for every month between the ages of 55 and 60 years. That was my thought in regard to the matter.

Mr. LANGER. The purpose was to liberalize the bill.

Mr. BALDWIN. Yes.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. WILLIAMS. I was not questioning the merits of the provision. I was merely questioning the right of the conferees to rewrite it. I ask the Senator from Connecticut, if he approves of this provision, why he did not advocate it when the bill was on the floor, and call it to the attention of the Senate?

Mr. BALDWIN. As I said in my prior remarks, I do not have an accurate recollection as to exactly what the bill as passed by the Senate provided. I merely got into this debate because the Senator from North Dakota mentioned the fact that I made a motion. I say I have no independent recollection of it, but if I made the motion, I did so because I thought justice required it. I was certainly not aware at the time that it violated any provisions of the Reorganization Act. It merely seemed to me then, as it seems now, that it was a proper modification to make.

Mr. WILLIAMS. Had the point been called to the Senator's attention at the time he was in the conference working on the report, and at the same time had the section of the Reorganization Act to which I have referred been called to his attention, what would have been his attitude? Would the Senator have made the same motion? Would he have supported the report containing this provision which not only violates the previous action of both Houses, but also the Reorganization Act itself.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. That is a hypothetical question. It depends upon the interpretation put upon the provision of the Reorganization Act about which the Senator from Delaware is now talking.

Mr. WILLIAMS. I am asking the question, What would the attitude of the Senator from Connecticut have been on this particular provision had he been familiar with the Reorganization Act and had he read the House bill and the Senate bill?

Mr. LANGER. May I say, before I yield to my distinguished colleague, that I think the Senator from Connecticut was thoroughly familiar with the La Follette-Monroney Act and could almost repeat it by heart. I am satisfied that he knew what he was doing.

Mr. WILLIAMS. I wish the Senator from Connecticut might be given an opportunity to answer for himself.

Mr. BALDWIN. The Senator from Connecticut is 21 and more years beyond that age than he likes to admit. The Senator's question is one of those questions which asks, "What would you do if?" It is one of those "if-u" questions.

I am frank to say to my distinguished friend from Delaware that apparently I did not at the time have the La Follette-Monroney Act in mind, but I say now that if I had, it would have seemed to me that this provision would work justice, and I would have thought, as I think now, that the word "modification" permitted the change to be made.

Mr. WILLIAMS. The Senator's statement now is that he would have made the same motion had all of the facts been called to his attention at that particular time. Is that correct?

Mr. BALDWIN. I think I would have; yes.

Mr. WILLIAMS. That is all I wanted to know.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CHAVEZ. Mr. President, I think I can clarify the matter to the satisfaction of the Senator from Delaware. We can interpret that provision of the La Follette-Monroney Act one way or another, but the strict interpretation has been given today by the Senator from Ohio [Mr. TAFT]. Is it germane to the subject matter? Is the provision which the conference adopted germane to the bill under discussion? It is my opinion that the Senator from Ohio has given the correct interpretation, that it was germane, and that would be the only thing to be considered.

Mr. WILLIAMS. Mr. President, I have not taken exception to the provision on the ground that it is or is not germane. I do say it is not a modification, and I quote from the same dictionary cited by the Senator from Vermont. The definition says:

Modify—to reduce in extent or degree; to moderate; qualify; lower.

And furthermore this provision of the Reorganization Act was passed to prevent the abuse which the conference report illustrates so manifestly.

Mr. FLANDERS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. FLANDERS. I have used the English language for a great many years, not in all its purity, or with all the eloquence of which it is capable, and I learned only today for the first time that there was any meaning to the word "modify" which restricted it to decreasing instead of increasing. I do not believe anyone on this floor so uses the word modify. I feel perfectly confident in stating that when any Senator employs the word in ordinary usage it means simply "to change somewhat" or "to change slightly."

Mr. WILLIAMS. Mr. President, in the conference report that was presented by Senator La Follette at the time the Reorganization Act was adopted, this was the statement of the conferees—and

I should like to have the Senator from Ohio pay attention to this:

This section, in effect, makes specific the application to amendments in the nature of a substitute of the conference rules now applicable to numbered amendments, and will outlaw the expedient resorted to in recent years of conferees bringing back legislation not passed by either House.

That is in the conference report presented at the time the Reorganization Act was before the Congress. The statement is, "will outlaw the expedient resorted to in recent years of conferees bringing back legislation not passed by either House."

It has been agreed in this debate that the provision to which I have called attention was not passed by either House. I further quote Senator La Follette's own words:

We also propose to strengthen the rule insofar as conference committees are concerned, in an effort to confine them to matters in disagreement between the two Houses.

Clearly the intent of the Congress at the time it passed the Reorganization Act was to restrict conferees to the provisions contained in two bills, and to prohibit exactly the abuses illustrated here.

Mr. LANGER. I say to the distinguished Senator from Delaware, replying before the Senator from Ohio does, that the definition given by the Senator from Vermont [Mr. FLANDERS] completely and thoroughly, in my opinion, answers the question. The conferees took under consideration the different bills, whether we call the provisions modifications or call them anything else. One bill had been passed by the House, another bill was passed by the Senate with section 1 omitted, and one of the Senate members of the conference, the Senator from Connecticut [Mr. BALDWIN], I think, made the motion to reduce the amount from one-half to one-fourth, and that was unanimously adopted.

Mr. WILLIAMS. I hesitate to raise a point of order against this particular provision, because I have no intention of trying to prohibit a vote by the Senate on the report, but I do want Senators to know what they are voting on. I want them clearly to understand that the conferees have brought back a provision that was not submitted to them, which was a direct violation of the Reorganization Act, and at the time the Senate votes on the conference report, it can give consideration to that question.

I should like to ask the Senator from North Dakota one further question.

Mr. LANGER. I wish to call attention to paragraph 3, in answer to the Senator's question, and to say that the only other change in the bill was that the House bill did not contain a provision of existing law allowing certain employees of the Federal Bureau of Investigation who had rendered 20 years of service to retire at 50 years of age. It had, however, approved that provision in a separate bill. The conference bill provides for continuing the retirement benefits to such members of the Federal Bureau of Investigation.

Mr. President, I think I have stated all the changes between the various bills.

Mr. WILLIAMS. Mr. President, I should like to ask one further question of the Senator from North Dakota, a question which has been the major point of contention ever since this legislation has been considered. I refer to the justification for paying a bonus or premium to an employee who is involuntarily separated from the service.

Mr. LANGER. Mr. President, I shall be very glad to answer the question, which was asked at least a dozen times in the committee.

The charge is made, Mr. President, that a man who is involuntarily separated can get six or seven thousand dollars more out of annuities than a man who stays on the job. Technically speaking, that is absolutely true. But a man must be in service for 25 years before he can even involuntarily retire, and get all this six or seven thousand dollars.

The point is, further, that a man often does not wish to retire voluntarily. A man may be on the job 25 years and have a right to retire, but he may say, "I want to stay on the job." I called on the Civil Service Commission and asked them how many cases of that kind there would be, and they said it might apply to 1 case out of 10,000. We cannot make a law absolutely perfect, especially a law of the character of a retirement law. The point the Senator raises has been considered time and time again by the full committee.

Mr. WILLIAMS. Did the Senator from North Dakota say this would apply to only 1 case in 10,000?

Mr. LANGER. Perhaps 1 out of 10,000, according to past experience, because the average employee wants to stay on the job.

Mr. WILLIAMS. Apparently the Senator from North Dakota has not had much experience with this matter. I wish to quote from the statement of the Civil Service Commission made before our committee by one of their representatives:

The Civil Service Commission also has advised me that there are in the Government service today about 47,000 people who will, during the next fiscal year, reach the age of 55 and have 25 years of service or more.

It is estimated that during the fiscal year 1948 approximately 5 percent, or 2,350 of this number will involuntarily retire under section 1.

Mr. LANGER. How many is that out of 2,000,000 employees?

Mr. WILLIAMS. That sounds much like some of the statements about the cost of the bill in the first place, that it would cost nothing, and now we understand that 1 man out of 10,000 will benefit by this provision. Can the Senator from North Dakota tell me who in the Civil Service Commission gave him his figures? The truth of the matter is that the total retirements in 1947 was 7,995. Of this total, 6,439 were involuntarily separated.

Mr. LANGER. I might say that the Senator from Delaware sat in the committee when Mr. Flemming testified, and

when we had before us experts from the Civil Service Commission.

Mr. BALDWIN. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield the floor.

Mr. BALDWIN. Question has been raised about the conference committee, and what it has done with reference to the particular bill we are considering. I think an important point of procedure has been raised. It seems to me it is one which should be disposed of, and I hope that the distinguished Senator from Delaware will raise the point so that the Chair can pass upon it.

Mr. President, the bill passed by the Senate did not alter the existing law with reference to the particular provision now under discussion. The House bill contained in section 1, subsection (b), the following provision:

Any officer or employee to whom this act applies who shall have attained or shall hereafter attain the age of 55 years and have rendered at least 30 years of service computed as prescribed in section 5 of this act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this act, reduced by one-fourth of 1 percent for each full month such officer or employee is under the age of 60 years.

I repeat, Mr. President, the bill as it passed the Senate did not alter the existing law on this subject. The House bill contained the provision I have read. Therefore we had a variance between the Senate and the House and the issue was presented as to what action the conference committee would take with reference to this provision.

The distinguished Senator from North Dakota says that I am the Senator who made the motion, after the discussion, that the figure should be changed from one-half to one-fourth of 1 percent a month. I have no independent recollection of that whatsoever. I had not supposed that what occurred in conference, as to who made motions and as to who said this or that, were matters for discussion on the floor of the Senate. However, there is no reason why they should not be.

Be that as it may, I will say here now that I believe that in all justice, when a man has served his Government 30 years and has reached the age of 55 years, and desires to retire, he should be entitled to retirement without too severe a penalty. The justice of that appealed to me, and that is why I suggested that the penalty be made one-fourth of 1 percent per month instead of being left at one-half of 1 percent, as it was contained in the House bill.

Now, as to the point of order, rule XXVII, paragraph 3 (a), provides:

In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House.

I submit, Mr. President, that this matter was committed to the conference committee by the House, because there

was a disagreement between the Senate version and the House version as regards this particular point. The rule continues:

They may, however, include in their report in any such case, matter which is a germane modification of subjects in disagreement.

This subject obviously was in disagreement in the conference committee, as the respective bills showed on their face. The House bill having adopted a certain provision and the Senate having taken no particular action, it presented a question we had to settle in the conference committee, I submit, Mr. President, that under this particular rule the modification which the conference committee made of this provision is a proper modification, and I am willing to stand by it.

Mr. WILLIAMS. Mr. President, I still do not see how the Senator from Connecticut can interpret \$1,400 to be a modification of \$1,100. Perhaps that is the way it is interpreted in Connecticut, but in Delaware we do not interpret it in that way. I admit, however, that it is the way it has been interpreted in Washington.

Mr. BALDWIN. I want to say that \$300 of the coinage of the realm is the same in Delaware as it is in Connecticut. On the other hand, not the technicality, Mr. President, but the justice of the proposal appealed to me. I had in mind the Connecticut State retirement act, which I say is even more generous in this regard than the Federal act is, because we in Connecticut believe that a man who has served his government 30 years and wants to retire at 55 should not, as is proposed by this particular bill, be penalized and be required to wait until he is 60 years old in order to do so.

Mr. WILLIAMS. I am going to agree with the Senator as to the justice of voluntary retirement after 30 years but I disagree with him as to his power as one of the members of the conference to write that provision into the bill in view of the fact that when the bill was before the Senate he did not mention it. I think that when the bill was up for consideration in the Senate was the time when the Senator ought to have made the suggestion and offered the change.

Mr. BALDWIN. I simply appeal to the language of the rule. It says:

They—

That is, the conference committee—may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

I submit that this is a germane modification of the subject in disagreement.

Mr. WILLIAMS. Mr. President, I should like to proceed further, leaving that point for the moment, and take up the question of the bonus which is proposed to be paid to those who are involuntarily separated from the service. As I said in the beginning, that is the point to which I had raised the main objection to the bill. I should also like to point out that the conference report which is now before us contains practi-

cally no difference with respect to and gives no additional benefit to the career employees, other than that which was provided for in the bill which passed the Senate.

The other difference which the conferees have seen fit to make in their form of the bill, which was not included in the Senate bill, is a bonus or premium payment to all the employees of the many emergency agencies which were set up during the recent years, and in arranging it so that when these agencies are liquidated we must pay a bonus of from \$2,000 to \$6,000 per individual to get rid of him. I do not now see and never have seen why we are obliged to do that. The employees in question took their positions with the various temporary agencies with the full knowledge that the Congress intended to liquidate those agencies as soon as possible. Therefore when we liquidate them I do not see why the employees have any claim for, or can call upon the Government for, any bonus. I have prepared a chart which I shall ask to have placed in the Record in a moment, which, among other things, gives figures dealing with the average employee of the Government, receiving a \$3,000-a-year salary, who has worked 25 years in the Government service and desires to retire at the age of 55. I am not questioning the right of the employee to retire. That has nothing to do with it. But if we want to liquidate the agency by which he is employed, at a certain date, and he is involuntarily retired from the service, rather than voluntarily retired, it makes a difference of \$2,455 in the payment he receives. He receives \$2,455 more if involuntarily separated. If he is an executive of one of the temporary agencies which is abolished, he would benefit even more. If he were a \$10,000-a-year executive, we would pay him \$6,703 more than otherwise if he were retired involuntarily.

As to how that would work, let us take for example one of the employees of the Civil Service Committee who happens to be on the floor of the Senate at the moment. He will have 25 years' service with the Government at the end of the term of the Senator from North Dakota. I am speaking of Mr. Phenix. He will have 25 years of Government service in about 1952. If the Senate Civil Service Committee decides it no longer needs his service, it will cost the Government about \$6,700 to get rid of him. Why should we penalize the taxpayers in such a manner? It is my opinion that if we should decide to liquidate a particular service, and a man employed in that service should submit his resignation, he would be more entitled to additional payment than if he sits down and refuses to resign and we are obliged to discharge him.

Mr. President, I ask unanimous consent to have printed in the Record the chart to which I just referred, which is signed by an agent of the Civil Service Commission, confirming the figures I have just presented.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of annuities under H. R. 4127

[Age at retirement, 55; years of service, 25]

Year ¹	Annuities to be received			
	Average salary, \$3,000		Average salary, \$10,000	
	Voluntary retirement	Involuntary retirement	Voluntary retirement	Involuntary retirement
1948, at age 55.....	0	\$1,168.75	0	\$3,187.50
1949.....	0	1,168.75	0	3,187.50
1950.....	0	1,168.75	0	3,187.50
1951.....	0	1,168.75	0	3,187.50
1952.....	0	1,168.75	0	3,187.50
1953.....	0	1,168.75	0	3,187.50
1954.....	0	1,168.75	0	3,187.50
1955, at age 62.....	\$1,375	1,168.75	\$3,750	3,187.50
1956.....	1,375	1,168.75	3,750	3,187.50
1957.....	1,375	1,168.75	3,750	3,187.50
1958.....	1,375	1,168.75	3,750	3,187.50
1959.....	1,375	1,168.75	3,750	3,187.50
1960.....	1,375	1,168.75	3,750	3,187.50
1961.....	1,375	1,168.75	3,750	3,187.50
1962.....	1,375	1,168.75	3,750	3,187.50
1963.....	1,375	1,168.75	3,750	3,187.50
1964.....	1,375	1,168.75	3,750	3,187.50
1965.....	1,375	1,168.75	3,750	3,187.50
1966.....	1,375	1,168.75	3,750	3,187.50
1967.....	1,375	2,874.56	3,750	2,390.62
1968.....	1,375	-----	3,750	-----
1969.....	1,375	-----	3,750	-----
Total.....	20,625	23,082.81	56,250	62,953.12
Difference.....	-----	2,457.81	-----	6,703.12

¹ Extended according to life expectancies. The life expectancy is based upon the age of the annuitant at commencement of the annuity. At age 55 it is 19.80 years; at age 62, 15 years, according to the U. S. Civil Service Commission mortality table for service annuitants.

² 8 years.

Calculations verified by E. J. Hickey, Associate Chief, Retirement Division, CSC.

Mr. BALDWIN. Mr. President, may I ask the distinguished Senator from Delaware under what section he claims such a result is accomplished?

Mr. WILLIAMS. Under paragraph (c), which is found at the bottom of page 1 of the conference report. The paragraph reads as follows:

(c) Any officer or employee to whom this act applies, after having rendered at least 25 years of service computed as prescribed in section 5 of this act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this act reduced by one-fourth of 1 percent.

If he resigns he is not entitled to its provisions. He has to wait until he is 62 before he can receive a pension. But if he is discharged, he can be placed on an immediate annuity regardless of his age. I do not see why we have to pay a bonus to these "veterans" of the OPA, the WPA, and the various other alphabetical agencies in order to get rid of them, when we decide to close up the agencies.

Mr. BALDWIN. Mr. President, I am willing to concede that there is a possibility that the provision which my distinguished friend has discussed will work out as he says it will work out. On the other hand, I think there is a great deal to be said on the other side of the case. Of course, the fundamental basis and purpose of the act is to keep a competent and needed Federal employee in the Federal service as long as we can keep him,

up until he is 60 years of age. Consequently we adopt the policy in this bill of trying to encourage them to stay, and making it difficult for them to get their full benefits by quitting. If a man could voluntarily quit after serving 25 years in the Government service and get the full annuity, we would not have a 30-year act, but a 25-year act.

On the other hand, if a man has served 25 years in the Federal service and then is discharged, or involuntarily separated from the Federal service, not at his own will, but at the will of his employer, it seems to me that under those circumstances, the Government having indicated by letting him go that it does not desire his services any longer, he ought not to be required to wait until he becomes 60 years of age in order to get his pension. It seems to me that he should be entitled to get what the law would allow him had he reached the retirement age provided for in the act, less the penalty of one-fourth of 1 percent per month for 5 years, which he cannot reach because of the fact that his employer has let him go.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall be glad to yield in just a moment. I should like to reply to the Senator from Connecticut. Perhaps the point which he has raised would be well taken in any other period except a period when we are endeavoring to reduce the Government pay roll. We now have more than 2,000,000 employees on the Government pay roll. Surely the Senator is not advocating that we keep those employees until they have all had 30 years of service.

Mr. BALDWIN. I am not advocating any such thing.

Mr. WILLIAMS. We are in a position where we must get rid of some of those employees. Many of them can go out into industry and get jobs. Suppose we are liquidating an agency, effective March 1 of this year, for example, and one of the employees has an opportunity to obtain gainful employment 2 or 3 weeks before the agency closes, I do not see why we should make it penalize him \$5,000 or \$6,000 for resigning. I do not see any sense in it.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BALDWIN. My distinguished friend started by saying that this provision protected employees who came into the Government service during the war years, and during the years immediately preceding the war. I have discussed this subject with a great many persons. Because of the apparent injustice involved, I have given the question considerable thought.

Let me point out that this provision does not apply to any employee who has not had 25 years of service. He must have worked for 25 years for the Federal Government. That indicates that he did not come in during the war, or immediately before the war, but had been in the Federal service for a long time.

Furthermore, under the civil-service regulations, a man who has that length of seniority is entitled to be retained

when men with fewer years of service are let go. So it seems to me that this provision is consistent with the regulations.

I am just as anxious to get rid of unnecessary Federal employees as is any other Member of this body. I think it must be done. I know that probably there are men who have served the Government for 25 years who have not given faithful, loyal service; but I also believe that there are many employees who have served the Government for 25 years who have given it loyal and faithful service. I believe that if we tell them that they are no longer needed and that they must go, we should give them the immediate benefit of what they had accrued in the way of benefits under the Retirement Act.

Mr. WILLIAMS. I should like to address a question to the distinguished Senator from Connecticut. Am I to understand that he would defend this principle only as it applies to employees with 25 years' service?

Mr. BALDWIN. Yes; and that is all it applies to.

Mr. WILLIAMS. As I understand, the Senator would not defend the principle if I show later it were applied to an employee with only 5 or 10 years' service.

Mr. BALDWIN. That is true.

Mr. LANGER rose.

Mr. WILLIAMS. I shall answer that contention in just a moment. In the meantime I yield to the Senator from Iowa [Mr. HICKENLOOPER], and then the Senator from North Dakota [Mr. LANGER].

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What is pending before the Senate?

The PRESIDENT pro tempore. The question is on agreeing to the conference report on the civil-service retirement bill.

Mr. LUCAS. Has a point of order been made against the conference report?

The PRESIDENT pro tempore. Not up to this time.

Mr. HICKENLOOPER. Mr. President—

Mr. WILLIAMS. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I should like to ask the Senator from Delaware a question or two.

Am I to understand the position of the Senator from Delaware to be that under this bill a man whose services are involuntarily terminated, and who has been in the Federal service for 25 years, may retire with substantially equivalent retirement benefits as though he had remained in the service until he reached the age of 60?

Mr. WILLIAMS. No; not exactly. His benefits will be reduced by 15 percent. I am not arguing about the reduction; but that privilege applies only if he is involuntarily separated. If he is voluntarily separated, he must wait until he is 62 before he gets anything whatsoever. That makes a difference of approximately 15 percent. He receives 15 percent more if he is involuntarily sep-

arated than he would receive if he resigned.

Mr. HICKENLOOPER. Let me ask one further question. Let us assume that a department head or agency head were willing to cooperate with certain employees who had had, let us say, 25 years of service. Suppose that with their knowledge and consent he wrote them letters, for reasons of his own, perhaps, saying, "Your services are no longer needed in this department. Therefore your service is terminated." Would not that afford opportunity for a colossal retirement racket in the Federal service?

Mr. WILLIAMS. It would; and that is the reason why I have argued against that principle. What the Senator describes is being done. Over 60 percent of the employees in that category are leaving through involuntary separation today.

Some time ago I pointed out the case of a man who is now in Greece, working on the Greek program. The Civil Service Commission created a job especially for that man. The job lasted only 90 days. He paid in approximately \$50 during that period and then was involuntarily separated from the service. No one knows what he was doing. However, he was scheduled to receive \$9,000 more for the involuntary separation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. TAFT. Is it not true that that could not happen under the provisions of the bill? Did he not attempt to tack various services together to get the 25 years?

Mr. WILLIAMS. He did.

Mr. TAFT. And he had not paid for the earlier service.

Mr. WILLIAMS. He had paid for part of it, but he could still do what has been described, and he did it.

Mr. TAFT. But he could not do it under the provisions of this bill.

Mr. WILLIAMS. The record of this case is in the Civil Service Commission files, and that man will today, under this bill, get an additional increase.

Mr. TAFT. The Senator is speaking about the old law. Is it not true that he could not do it under the provisions of this bill?

Mr. WILLIAMS. No; it is not true.

Mr. TAFT. Why not?

Mr. WILLIAMS. As I stated before, as an example, Mr. Phenix, who is now seated beside the Senator from Ohio, will have 25 years' service at the end of the term of the Senator from North Dakota. Let us assume that his average salary is \$10,000. If the Senator from North Dakota does not come back, and the committee decides to get rid of Mr. Phenix, it will cost the taxpayers \$6,703 additional.

Mr. TAFT. What difference does it make?

Mr. WILLIAMS. It makes a great difference as I see it.

Mr. TAFT. It does not make any difference. Here is a man who has served the Federal Government for 25 years. He has paid in, under compulsory requirements, 5 percent of his salary for most of that period of 25 years—probably all of it.

Mr. WILLIAMS. Yes; but why is he entitled to \$6,703 for being fired? He is entitled only to so much, which should be based solely upon years of service and contributions to the retirement fund.

Mr. TAFT. He has paid in 5 percent of his salary over a long period. He has a vested interest in an annuity beginning at age 62. What the bill provides is that if he is fired at age 55, he will receive an annuity based on the age-62 annuity to which he is clearly legally entitled—he has paid for it—reduced by 3 percent a year for every year that he is less than 60 years old.

Mr. WILLIAMS. That is not exactly correct.

Mr. TAFT. As I understand, the only thing the Senator is objecting to is that if a man voluntarily retires, say at age 55, and has had only 25 years' service, he gets a deferred annuity beginning at age 62; but since he has voluntarily retired, he can work for 7 years. Presumably he would not have retired if he did not have another job for those 7 years.

He has a vested interest in an annuity at age 62. The Senator objects because, if a man is involuntarily separated at age 55, and presumably would have no job, he could get an annuity beginning at once, which annuity, beginning at once, would be reduced from the deferred annuity at age 62.

It is true, as the Senator says, that if we take the actuarial value of the annuity beginning at age 55, it is somewhat more than the present actuarial value of the annuity which would begin at age 62. That is the discrimination of which the Senator complains. But it seems to me it is a rather minor difference. It is not any considerable percentage. A man who is fired receives a much lower annuity than he would receive if he served until age 62 and got the full annuity to which he would be entitled.

So I think the Senator is enlarging what may be a proper criticism of a slight differential, into something in importance way beyond what is justified by the importance of the matter about which he complains.

Mr. WILLIAMS. Mr. President, when this measure was before the committee I never objected to a reduction, on a formula basis, for those employees of age 55. In fact, I approved it. But I do object to any difference in the formula as between a man who separates on a voluntary basis and a man who separates on an involuntary basis.

Mr. TAFT. Mr. President, I do not think we want to encourage people to separate from the service voluntarily before age 60 or 62. I do not think it would be good policy to encourage that or to have that done. Ordinarily a man who retires voluntarily at age 55 does so because he has a better job somewhere else. That is perfectly proper, except that under those circumstances he would receive the salary for the better job from age 55 to age 62, and then would receive the full annuity beginning with age 62. So such men are well off.

Now we are reducing the number of employees of the Federal Government. We have reduced the number from

3,000,000 to 2,000,000 during the past year. We are reducing the New Deal bureaus, if you please. Perhaps some employees of those bureaus came to them after serving other Government agencies in the past, and perhaps some of them have served for 25 years. In that case, such persons, when dismissed because of the closing of New Deal bureaus, perhaps could not get other jobs, being at age 50 or 55, for it is not an easy thing for a man to get another job when he has reached age 50 or 55. If we choose to say to them, "You are dropped, not because of cause, but simply because we no longer have a place for you," and then if we say to them, "All right, you can have an annuity right away, but it is going to be for a lesser amount than what you would receive if you continued to serve until age 62," that does not seem unreasonable.

Mr. WILLIAMS. But I should like to point out that the practical effect of this amendment is to require a man to serve until age 60 or 62 or until he has had 30 years of service. That should not be the case. A Government employee under this bill will be able to retire at age 45, if he wishes to do so and can maneuver an involuntary notice. Yet the Senator from Ohio has referred to age 55 as perhaps the minimum age allowed.

Mr. TAFT. I only used age 55 in making a comparison between a man voluntarily retiring and a man involuntarily retiring.

Mr. WILLIAMS. But under this conference report a man who resigns from the Government service must wait until he is 62 years of age before he can receive any annuity payments.

Mr. TAFT. But why should he resign? He can continue to serve the Government and can get his full salary until age 62. So why should he resign?

Mr. WILLIAMS. I am afraid I shall have to agree with the Senator from Ohio on that point, but I do not think that should be the situation if we are to get rid of a substantial number of the present Government employees. Either they should be permitted to resign or we shall have to discharge large numbers of them. However, if we discharge them, the cost to the Government will be greater, as I have already pointed out in the case of the Solid Fuels Administration. The cost to the Government was an average of approximately \$2,000 for each employee who was discharged when the Government closed the Solid Fuels Administration—in other words, \$2,000 more than if those employees had voluntarily left. The exact difference under S. 637 for each such employee was \$1,991. I do not see why we had to do that.

I should like to ask the Senator from Ohio the same question I asked the Senator from Connecticut; namely, would the Senator defend this principle if it applied to persons with less than 25 years of service, or is the Senator applying it only to those who have had 25 years of service?

Mr. TAFT. Only to those with 25 years of service.

Mr. WILLIAMS. If I could show the Senator that this would apply to other

than those with 25 years of service, what would be the Senator's position then?

Mr. TAFT. I said I was opposed to applying it to persons who had less than 25 years of service.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAIN. The Senator has suggested that employees who are separated after much less than 25 years of service are to benefit from the provisions of this measure. If that be so, what effect will this measure have upon temporary war-bureau employees, whose bureaus already have been liquidated? Are we passing a measure which carries a retroactive commitment?

Mr. WILLIAMS. Mr. President, let me inquire whether the Senator from North Dakota wishes to answer that question and state his position before I answer.

Mr. LANGER. No; but I should like to ask the Senator from Delaware a question.

Mr. CAIN. I should like to have an answer to my question.

Mr. WILLIAMS. Then I shall answer it. Yes, Mr. President, I shall answer the question for the Senator from Ohio and the Senator from Connecticut and the Senator from Washington. This measure is retroactive, and it pays a premium to employees who have been fired, as against those who have not been fired. In other words, under this measure, employees who have been fired would be paid more than they would have been paid if they had not been fired. I can show the provisions which have that effect.

Mr. CAIN. Does the Senator refer to employees of less than 25 years of service?

Mr. WILLIAMS. Yes; and to those with as little as 5 years of service.

Mr. CAIN. The junior Senator from Washington is therefore confronted with a contradiction, inasmuch as the authors of this measure are making an entirely different statement and are proceeding on the basis of an entirely different premise.

Mr. WILLIAMS. The bill as passed by the Senate did not provide any benefits for employees involuntarily separated regardless of years of service. We struck out those provisions. But the conferees have eliminated that action on our part and have reinstated the provisions; and under the measure now before us such employees would get an additional benefit.

Mr. TAFT. Mr. President, will the Senator please state what he is charging against the conference report? How can a man who serves for 5 years and then is discharged get anything under this measure? Will the Senator point out clearly where he finds any such authority in the conference report?

Mr. WILLIAMS. I refer the Senator to page 6 of the conference report, under section 8. I should like to read it:

In case any official or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this act and have acquired title to an annuity

under section 7 of the act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this act had not been enacted.

In other words, if he separated on an involuntary basis, under the old act, which was section 7, his annuity would be computed under the old law, which would give him about 25 percent more than is provided under the conference report.

Mr. TAFT. Two or three years ago the Congress passed a law which said this to all such persons: "We are not taking away the rights given for 2 years, but we are not giving them to anyone hereafter."

Mr. WILLIAMS. Mr. President, I differ with the Senator from Ohio. If he will read the Senate bill, as passed by the Senate, he will find that it provided that those annuitants would have their annuities computed as if this act had been enacted. But this conference report means, for instance, that if we liquidated a Government agency during the past year or two, and if thereby a Government employee who had 5 or 10 years of service—of course, he would have to have over 5 years of service with the Government—lost his position on an involuntary basis—let us say he was then 40 or 45 years of age—thereafter, at age 62, he would be entitled to an annuity based on the years of service he rendered the Government. But under the old law, the proposed provision as to involuntary separation would give him about 25 percent more than similar employees will get under this conference report. But in order to do that, we are taking away benefits from the group of employees who resigned. Under this measure they will get absolutely no benefits whatsoever. I am speaking of those 147,800 employees who have resigned but as yet have not reached retirement age.

Mr. TAFT. Mr. President, I am sorry, but I entirely disagree with the whole interpretation made by the Senator from Delaware. I think he is completely wrong in his interpretation of this section.

Under the law passed some years ago, it is provided that any official or employee to whom this act applies, who shall have been involuntarily separated prior to January 30, 1947, will acquire title to a certain annuity calculated in a certain way.

All that this conference report provides is that in case he shall have acquired title to the annuity under section 7 of the act of May 29, 1930, as amended, his rights shall be determined and annuity computed as though this act has not been enacted. If he has acquired a vested right to an annuity, he gets it. That is all there is to it. By changing the law or repealing it—or, at least, if it expired by way of limitation—we do not take away anything he had. That is the only possible interpretation of the conference report.

Mr. WILLIAMS. If that is the only possible interpretation of the conference report—which is true—let me point out

that at the time when the bill was passed, the Senator from Ohio agreed with me that we should add the amendment I proposed and should compute the annuities on the basis of the new act in order to correct these inequities. I should like to ask why an employee who had 10 years of service and was dismissed from the service last year should get a larger annuity than the one received by an employee who serves for 10 years under this act. Why should we give such special privileges?

Mr. TAFT. Because the act was passed, but we thought it was too liberal, so we cut down the liberality. As a matter of fact, the calculation of the accountants shows that if the Senator's amendment had gone into effect, it would have cost \$68,000,000 more money, instead of less money. That was the showing made to the conference committee, and that is the principal reason they removed it.

Mr. WILLIAMS. Mr. President, that is one of the arguments that was made, but it is not a solid argument. It would have cost more money for those who were separated on a voluntary basis, but it would reduce the payments to those who were separated involuntarily. According to the Civil Service Commission, there are now 223,600 employees who have left the service during the past 12 months and are eligible for retirement under section 7 of the old act, 147,800 of whom left on a voluntary basis. In the event the conference report is adopted, those 147,800 employees would receive absolutely no increase whatever. Under the provisions of this act, they are not on the annuitant rolls, therefore they do not come under the provision which grants that increase, nor do they get an increase under the formula, because they cannot recompute the formula under the more liberal provisions of this act. We are doing that solely for the purpose of taking care of 75,800 who were fired, so that they can get an additional 25 percent, and we are taking away from those who resigned and giving to the ones who were dismissed, the 5-and-10-year men, and equalizing, about the same cost. If the Senator from Ohio has said somebody told him it would cost \$68,000,000, I wish the Senator would tell me who it was that told him. I do not have much confidence in the figure of \$63,000,000.

Mr. TAFT. The Senator has asked me to state. This is a memorandum prepared as I understand it by the board of actuaries, which says:

With regard to the two amendments of Senator WILLIAMS, one would have cost the fund an amount having a present worth of \$68,000,000, and the other would have required the recomputation of more than 120,000 annuities, which would take 3 years and cost \$500,000 to do the recomputations alone. It would have worked a particular hardship on many of the low annuitants whom we are trying to help.

Mr. WILLIAMS. Mr. President, will the Senator tell me who signed the memorandum?

Mr. TAFT. It is a memorandum from the Board of Actuaries. I do not know who signed it.

Mr. WILLIAMS. Was that prepared by Mr. Phenix, the same man who has been producing the other wild guesses as to the total cost of the bill?

Mr. TAFT. Mr. Phenix says he agrees with the report of the Board of Actuaries. He is not himself a member of the Board, but he was with them when they were working on the question and discussed the matter with them.

Mr. WILLIAMS. Of course, the Senator from Ohio realizes that the man who advised him stood to gain \$6,703 under the provisions of this amendment which he was advocating.

Mr. TAFT. I think the Senator's imputations are unfair to Mr. Phenix. This is not his memorandum.

Mr. WILLIAMS. Mr. President, it will be remembered that when we first took this bill, it was said it was not going to cost us anything. Since then there have been estimates that it would cost \$15,000,000, \$39,000,000, \$105,000,000, \$139,000,000, and various other estimates. I wonder whether any of the employees of whom the Senator from North Dakota and the Senator from Ohio now speak have ever given a revised estimate of the cost. All these estimates were agreed to by these same experts.

Mr. TAFT. Mr. President, I have a revised estimate. It is contained in a letter addressed to the Senator from North Dakota [Mr. LANGER], as chairman of the Committee on Post Office and Civil Service, and it is signed by Warren B. Irons, Chief of the Retirement Division. This estimate says that the bill, as passed by the House, imposed a total expense on the Government of \$308,000,000. It may be expressed in this way: Over the existing charges, the bill, as passed by the House, made an increase of \$84,000,000. The conference bill makes an increase of \$62,000,000 over the existing law. The total cost to the Government today of \$286,000,000 a year represents the Government's share of the retirement system.

Mr. President, I ask that this computation be inserted in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the computation was ordered to be printed in the RECORD, as follows:

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., February 24, 1948.
Hon. WILLIAM LANGER,
Chairman, Committee on Post Office
and Civil Service,
United States Senate.

DEAR SENATOR LANGER: This letter is written in response to a telephone request made to us by Mr. John D. Phenix of your staff.

On January 16, 1948, a report on the comparative costs of the present civil-service retirement system and H. R. 4127 as passed by the House of Representatives was submitted to you by an actuarial group composed of the Board of Actuaries, the actuary of your committee staff, and the Actuary of the Commission. We have subsequently estimated the cost of H. R. 4127 as approved by the conference committee on February 6, 1948, basing such estimate on the report mentioned above.

Statement of Government cost, H. R. 4127

	Percent of pay roll	Annual amount
1. Bill passed by House July 21, 1947.....	6.94	Millions \$308
2. 80 percent maximum (sec. 4).....	-.07	-3
3. Optional refund under 20 years (sec. 7).....	-.23	-10
4. Separated employees retain present deferred annuity rights (sec. 8).....	-.07	-3
5. Interest on optional deposits (sec. 9).....	-.09	-4
6. Addition of children's benefits (sec. 12).....	+ .10	+4
7. Change in widow's benefits (including lump-sum provisions) (sec. 12).....	-.18	-8
8. Survivor benefits for retired employees (sec. 12).....	+ .05	+2
9. Bill approved by conference, Feb. 6, 1948.....	6.45	286
10. Present law.....	5.04	224
11. Increased cost of H. R. 4127.....	1.41	62

NOTE.—Changes in sections 1 (b) and 1 (c) have an offsetting effect on cost and are not included in above statement.

Mr. Phenix has also asked how much would be required for personal services to recompute all annuities as would be required by section 8 of H. R. 4127 as passed by the Senate. We estimate that this provision would require a deficiency appropriation of approximately \$500,000.

Sincerely yours,

WARREN B. IRONS,
Chief, Retirement Division.

Mr. BALDWIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Delaware yield the floor?

Mr. WILLIAMS. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, before the debate is ended, I should like to say that I think our distinguished colleague from Delaware is entitled to a great deal of credit. He has given much time and study to this whole bill, and he has, by virtue of that fact, made the other members of the committee more keenly alive to the extreme difficulties and the great complexities involved in legislation of this type. It may be that the bill permits some inequities which we cannot fully now foresee. On the other hand, I think the arguments on the other side outweigh them. It is true that if a man is involuntarily separated from the service after 25 years, he will get more money than a man who voluntarily resigns at that time, but there is a good argument for keeping a man on the job so that he cannot voluntarily resign, and there is a good reason for treating with justice those who are forced to retire from the Government service perhaps before they want to do so, and who by virtue of that fact must take substantially less than they ordinarily would receive.

We have worked hard on this bill and have spent a great deal of time on it, the staff has worked hard, and there is nothing more difficult I think than trying to look into the future to see exactly how the provisions of a bill of this kind are going to work out in practice. But this Congress is in session every year, and if there are injustices in the bill, they can be corrected.

There is one thing I should like further to point out, and that is this. I may have misunderstood my distinguished friend from Delaware when he said that those who have already retired did not receive any increased benefits under this act. I want to point to section 8 of the act, which goes into the question of benefits for those who have already retired, and tries to equalize their situation with men or women whose periods of retirement have not yet been reached.

Mr. WILLIAMS. Mr. President, I should like to interrupt the Senator from Connecticut at this point. I did not say there were no benefits accruing to those who had retired, that is, those who were on the annuity rolls. They get the 25-percent increase or the \$300, whichever it may be, but what I said was that there are 147,800 employees who have resigned from the Government service during the past 12 months, according to figures furnished by the Civil Service Commission itself, who will be eligible to receive retirement benefits when they reach the age of 62. They are not on the rolls now. Therefore they are not eligible for an increase in the annuities by reason of computations under section 8, to which the Senator from Connecticut has referred, nor are they eligible for a re-computation under section 4, which is more liberal, because the amendment that I submitted was rejected by the conferees and the conference report now distinctly provides that they must compute their annuities as if this bill had never been passed.

Therefore there is no way—and I have verified this with legal counsel of the Retirement Division—in which such employees can receive one single penny of benefit from that provision of the bill.

Mr. BALDWIN. Mr. President, I submit that I do not yet understand just what my friend means. It seems to me the bill accomplishes approximately what an insurance policy would accomplish. If we want voluntarily to end it, it can be ended, and certain benefits given when that is done. There is a certain amount of paid-up insurance and a certain cash surrender value. If, after a period of service, a man wishes to stop and to leave his money in the retirement fund, he can do that, and, at the age of 62 years, he can receive his retirement benefits. But, obviously, Mr. President, this bill cannot go back over the years and correct all the inequities down through the past. It does not pretend to do that. I doubt very much that it could successfully accomplish that. I think on the face of it, it is a fair bill. I am willing to concede that, technically worked out, there might appear to be some needed adjustments, but there are other arguments in its favor which, in my judgment, far outweigh such adjustments.

Mr. WILLIAMS. Mr. President, I want to point out one further inequity in the bill between voluntary and involuntary separation. Under its provisions, those who are already on the annuity rolls are granted an increase which ranges to 25 percent, based upon the amount they are now receiving, but in no case would they

receive an increase greater than 25 per cent, except as applied to those who are on the annuitant rolls, in the case of an involuntary separation, in which cases there are inequities. I do not want to use the name of the employee whom I have in mind, but this employee would receive an increase, under the provisions of the bill, due solely to the fact that he was involuntarily separated, of over 100 percent. All employees do not receive that much, but the increases range from 25 percent for those voluntarily separated up to as high as 100 percent for some who were involuntarily separated. The particular employee whom I have in mind is receiving an annuity

of \$683.88. He began receiving that amount last October. The minute this bill becomes effective his benefits will be increased to \$1,292.34, or over 100 percent. Had he resigned, he would receive only a 25-percent increase. He will receive four times as much for being fired.

That is an extreme case. I should like to place its details in the RECORD, with the exception of the man's name. I ask unanimous consent that the statement in connection with that case be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

	Years and months of service	Age at commencement of annuity	Average salary	Annuity awarded	Annuity to be awarded	Years of life expectancy	Total annuity	Increase per annum	Total increase
Present law.....	28 3	55	\$2,882.34	\$683.88	-----	19.80	\$13,540.82		
Conference agreement.....	28 3	55	2,882.34	-----	\$1,292.34	19.80	25,588.32	\$608.46	\$12,047.50

Mr. X, twenty-seventh employee to be involuntarily separated from service during October 1947.
Amount of contributions: \$2,264.58.
This annuitant is eligible for the increase listed above on the basis of the retroactive clause, sec. 1 (c) of the conference report, which states: "This subsection shall become effective July 1, 1947."

Mr. WILLIAMS. Mr. President, I shall ask that the conference report be rejected. I wish to make it plain, at the time I ask it, that I am not trying to delay the passage of the bill as it applies to service employees. If the conference report be rejected and the provision which pays bonuses to employees be removed, I shall be one of the first to support the bill. But I do not think it is fair, in any case, to pay such a large sum simply because the employee happened to be fired last October instead of resigning. According to the Civil Service Commission there are 2,350 similar cases. This chart shows that this Mr. X will receive under the provisions of this bill a bonus of \$12,047.50. I do not see any sense in thus dipping into the retirement fund which was built up by the career employees themselves. We are charging them an additional 1 percent to pay bonuses to men who have been fired. Most of them were political pets; otherwise they would never have been able to maneuver themselves into such a position of getting these involuntary separations.

I hope therefore that the conference report will be rejected.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

ELIGIBILITY FOR BURIAL IN NATIONAL CEMETERIES

Mr. BUTLER. Mr. President, yesterday Senate bill 1620, to establish eligibility for burial in national cemeteries, was passed by the Senate. There are certain clerical corrections, which should be made, and I ask unanimous consent to reconsider the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, in order to make such corrections at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the bill is before the Senate.

Mr. BUTLER. Mr. President, the changes are three in number. The words "Secretary of War" appearing in three places should be changed to "Secretary of the Army."

The PRESIDENT pro tempore. Are those the only amendments requested?

Mr. BUTLER. Yes, Mr. President.

The PRESIDENT pro tempore. Without objection, the amendments are made, and, without objection, the bill as amended is passed.

ALLOCATION AND CONTROL OF GRAIN FOR DISTILLING PURPOSES

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. The understanding of the junior Senator from California is that now that we have agreed to the conference report on the civil-service retirement bill, under the agreement of yesterday, Senate Joint Resolution 186 relating to the allocation of grain is before the Senate. Is that understanding correct?

The PRESIDENT pro tempore. It is correct and the pending question is the amendment proposed by the Senator from Kentucky [Mr. COOPER] to Senate Joint Resolution 186.

ST. LAWRENCE SEAWAY

Mr. BYRD. Mr. President, few issues have been debated in Congress more thoroughly or over a longer period than the St. Lawrence seaway proposal, which is now formally before the Senate for the third time during the 15 years the senior Senator from Virginia has been a Member of this body.

The resolution now pending would legalize agreements between the United

States and Canada for construction of a deep-water seaway of approximately 2,500 miles from Duluth to the Gulf of St. Lawrence, and this time there is a power project attached as an adjunct. Depending upon the agreements worked out under this legislation, tolls may be charged on seaway traffic with a view toward self-liquidation.

Each time the project is brought up it is on somewhat a different basis as to justification and legislative process. Each time the Senator from Virginia has studied the aspects of the project diligently, and he has listened to the debate intently. Each time he has concluded to oppose it.

This time his conclusions are the same. On the basis of careful examination of his own, and analysis of all the claims which have been made, this project involving at least a billion dollars—mostly American money—cannot be justified at this time in terms of the tremendous outlay of public funds, materials, and labor, even if no other considerations were involved.

But in addition to these elements of inflation, there are other considerations, such as the question of treaty versus agreement, the national-defense contentions, the cost and economic possibilities of the project, the views of the Canadians, who must be a part to any agreement, and the provisions of the resolution itself. There are other considerations, of course, but those mentioned are of national and international significance which are in addition to a great many more sectional and local aspects.

Taking these national and international matters up in order, the first is:

TREATY VERSUS AGREEMENT

Relations between the United States and Canada, which are those of good neighbors at their best, are the result of a long line of well-considered treaties, mutually made and mutually respected.

This is especially true with respect to use and development of boundary waters between the two countries which have been worked out almost invariably on the basis of treaties which, for the United States, have been approved in each case by the required two-thirds vote in the Senate.

Among these treaties governing navigational and other privileges on the Great Lakes and the St. Lawrence River have been: First, the Treaty of Amity, Commerce, and Navigation of 1794; second, the Reciprocity Treaty of 1854; third, the Treaty of Washington in 1871; and fourth, the Boundary Waters Treaty of 1909.

The feasibility of the St. Lawrence seaway has been the subject of investigation and recommendation since 1895, and it finally was made the subject of a treaty which the Senate, after careful consideration of its international aspects, rejected in 1934 by a vote which was 13 short of the necessary two-thirds.

When the conventional approach failed, proponents began a relentless effort to bypass the tried and proven treaty processes wisely prescribed in the Consti-

tution. They sought statutory approval of an executive agreement which would require only a simple majority vote. Under the chairmanship of Senator OVERTON, a subcommittee of the Senate Commerce Committee declined to approve this approach, but before the full committee could act, a new tack was taken. This was in the form of an amendment to the rivers and harbors bill of 1944. Here again, this time as a public works project, the Senate defeated the proposal. The vote was 25 for and 56 against.

Now the proposal is back before the Senate, this time with a remarkable new look.

It is not in the form of a treaty, but it comes with the approval of the Committee on Foreign Relations, which previously recommended treaty procedure on February 15, 1933.

It is in the form of statutory approval of an executive agreement, which the Committee on Commerce did not approve, and which was specifically disapproved by its subcommittee.

Opposition to this method has been summed up in a special Library of Congress study of the project which sets forth the opinions of numerous authorities who believe the seaway is more properly the subject for a treaty, and that its character is not changed by any executive agreement which may have been made. Sovereign rights of each nation are involved, and executive agreements, even with statutory approval, may be altered by unilateral action.

The majority leader of the Senate, the Senator from Maine [Mr. WHITE], whose natural wisdom is sharpened by his long experience, states the situation succinctly when he says:

The growing resort in late years of the State Department to agreements, so-called, instead of treaties to be ratified by the Senate, is an effort to accomplish by indirection what, in this case, the Senate has twice refused to sanction, first by refusing to consent to the proposal in treaty form, and later by rejection of an amendment to a river and harbor bill.

Approval of what amounts to a treaty by this method is highly improper and evasive, if not actually unconstitutional, and it has been held so by such a competent authority as Edwin M. Borchard, who wrote a special opinion on the subject in 1944.

NATIONAL DEFENSE

Consideration of the national defense aspects of the proposed St. Lawrence seaway must be taken from two viewpoints: First, from the requirements of defending the seaway itself from attack, and second, from its contribution to offensive effort.

On defense, Maj. Gen. Follett Bradley, United States Air Force air-defense expert, testifying on the pending joint resolution, said:

The real question is, Can the project, with its 50 locks, more or less, and its proposed dams and powerhouses be defended against enemy air attack? I answer categorically, "No."

With respect to defense against submarines, Vice Adm. Russel Willson, United States Navy, retired, World War II Chief of Staff and deputy commander in chief to Admiral King, and naval ad-

viser to the Joint Chiefs of Staff, testifying on the pending measure, said:

While there was not much traffic out of the St. Lawrence, relatively, during the war, there were six ships sunk there by submarines, and there were no submarines sunk, the reason being that the conditions there are very favorable for submarines.

Despite the fact that military experts know these conditions, there is neither a general nor an admiral who would dare leave such an artery unprotected—as useless as defense installations there may be.

As to contributions by the proposed seaway to offensive operations, Secretary Royall is quoted in the minority report as telling the subcommittee:

The Army's position and the War Department's position is that the St. Lawrence seaway is not vital to national defense, but that the project would be helpful to national defense.

Of course it would be of no help while it was frozen 5 months of the year.

It would be of no help if its channels were blocked by derelicts, or its locks were sabotaged.

It would be of no help if for political or other reasons we persisted in using ocean shipping on it while a shortage existed in vital overseas requirements.

It would be of no help if hundreds of ships were tied up in back of a channel or lock obstruction a thousand miles from their destination.

Construction schedules in shipyards at seaway ports could not be depended upon if it was impossible for them to launch vessels and possibly operate otherwise during the ice season. Finished ships could not get out during half the year.

Some of the yards in lake ports did an excellent job on smaller ships during the recent war, but the seaway would not help them. To expand these yards would drain mechanics and materials from shipyards which could operate on maximum schedules 12 months a year.

On the record the national defense argument is unimpressive, and it appears to have been emphasized only during the war hysteria of recent years when it was easy to justify almost anything on grounds of national defense. But this project could not be justified even then. In fact, it was defeated on one occasion in the middle of the war.

POWER ASPECTS

At best, the power project in New York—which is proposed as an adjunct to the seaway—is no more than a tail to the kite. If it is so vital, it could be built—from an engineering standpoint—without the development of the seaway phases.

If additional power facilities in the area are so badly needed, it is difficult to understand why they have not been provided. It is not as if the area were remote and its potentialities unknown. On the contrary, the area is highly developed, and it has been for a long time. Its population is dense. Its current industrial requirements are established beyond question, and its possibilities for expansion can be measured with accuracy. It seems unreasonable to believe that power facilities have not already been developed to the fullest extent of profitable

expectancy. In fact, there is strong evidence that such is the case.

Proponents of the pending resolution who would tack power development onto the seaway project scorn those who are interested in steam-plant generation as "vested interests." But they cannot deny that these are the people who have had the experience, and based upon this experience, the National Coal Association of America is the authority for the statement that in the war year of 1944 installed power capacity in this area was 25 percent above peak-load requirements. If and when more power is needed, it would be common sense to expand existing facilities and systems.

When proponents of such projects contend that they will result in cheaper products they overlook the fact that such a contention must be founded upon need, to be true. Something not needed is never cheap, especially if it is financed with public funds.

This proposal involves long-term use of public money extracted from the pockets of taxpayers all over this vast Nation for construction, maintenance, and operation of a hydroelectric power development which, if needed, would be directly beneficial to users only within a 200-mile radius from the site of the plant in upper New York State.

Although some Senators from New England States are pressing for this legislation, spokesmen for their New England Governors' Freight Rate Committee, as recently as November, not only opposed the seaway project as a whole but said further that—

It is by no means clear that the power to be created would be advantageous to New England, or that any material part of it would be distributed in New England.

The soundness of the project is highly questionable, according to the considered opinions of competent authorities.

In addition, there is a great confusion over just how the whole thing would be operated. This necessarily must be true as to any project in which two national governments and half a dozen State governments are concerned with construction, maintenance, operation, distribution, and rates.

There is nothing in the pending legislation which assures any satisfactory agreement in such a situation.

WEATHER AND NAVIGATION

It is generally conceded that navigation on the St. Lawrence and in the Great Lakes region stands still for approximately 5 months of the year. So the route could be used only about 200 days of the year.

On the authority of Captain Saunders, of the International Shipmasters Association of the Great Lakes "The St. Lawrence has more crooks and turns in it than a snake makes. If this project is developed and passed, it should also be stipulated that there shall be a shipyard about every 5 miles, because they will need it."

Public Affairs Bulletin 58, Library of Congress, records the shipping season in a table which I ask to have printed at this point in the RECORD.

[PUBLIC LAW 426—80TH CONGRESS]

[CHAPTER 84—2D SESSION]

[H. R. 4127]

AN ACT

To amend the Civil Service Retirement Act of May 29, 1930, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

“SEC. 1. (a) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of sixty years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act, or who shall have attained or shall hereafter attain the age of sixty-two years and have rendered at least fifteen years of such service, shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act.

“(b) Any officer or employee to whom this Act applies who shall have attained or shall hereafter attain the age of fifty-five years and have rendered at least thirty years of service computed as prescribed in section 5 of this Act shall, upon separation from the service, be paid an annuity computed as provided in section 4 of this Act, reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years.

“(c) Any officer or employee to whom this Act applies, after having rendered at least twenty-five years of service computed as prescribed in section 5 of this Act, shall, upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid an immediate life annuity computed as provided in section 4 of this Act reduced by one-fourth of 1 per centum for each full month such officer or employee is under the age of sixty years. This subsection shall become effective July 1, 1947.

“(d) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least fifty years of age and who has rendered twenty years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 per centum of his average basic salary for the five years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding thirty years.”

SEC. 2. Section 2 of the Act of May 29, 1930, as amended, is amended to read as follows:

“SEC. 2. (a) Except as provided in section 204 of the Act of June 30, 1932 (47 Stat. 404), and section 3 of the Act of July 13, 1937 (50 Stat. 512), any officer or employee to whom this Act applies who shall have completed fifteen years of service computed as provided in section 5 of

this Act shall, on the last day of the month in which he attains the age of seventy years, or completes fifteen years of service if then beyond such age, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and the head of each department, branch, or independent office of the Government concerned shall notify each such employee under his direction of the date of his separation from the service at least sixty days in advance thereof: *Provided*, That should the head of the department, branch, or independent office fail, through error, to give timely notification, the employee's separation from the service shall not be effected without his consent until the expiration of said sixty-day period. Upon such separation, the officer or employee shall be eligible for retirement on annuity as provided in section 4 hereof.

“(b) No person who is receiving an annuity under the provisions of this Act and who has reached the age of sixty years shall be eligible again to appointment to any appointive office, position, or employment under the Government of the United States or of the District of Columbia, unless the appointing authority determines that he is possessed of special qualifications: *Provided*, That no deductions for the retirement fund shall be withheld from the salary, pay, or compensation of such person, but there shall be deducted from his salary, pay, or compensation otherwise payable a sum equal to the retirement annuity allocable to the period of actual employment: *Provided further*, That the annuity in such case shall not be redetermined upon such person's subsequent separation from the service.”

SEC. 3. (a) Except insofar as amendments made by this Act change rates of interest and eliminate tontine deductions, such amendments shall not apply to any person subject to the provisions of section 3A of the Act of May 29, 1930, as amended, and the rights and obligations of such person under such Act shall continue as though this Act had not been enacted.

(b) Section 3 (a) of the Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

“Notwithstanding any other provision of this Act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this Act by the Act of July 13, 1937, serving in such position on the effective date of this Act, may give notice of his desire to come within the purview of this Act at any time prior to July 1, 1948.”

SEC. 4. Section 4 of the Act of May 29, 1930, as amended, is amended to read as follows:

“SEC. 4. (a) The annuity of an officer or employee retired under this Act shall be a life annuity, terminable upon the death of the annuitant and shall be an amount equal to the following: (1) 1½ per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, or (2) 1 per centum of the average annual basic salary, pay, or compensation received by the officer or employee during any five consecutive years of allowable service at the option of the officer or employee multiplied by the years of service, plus a sum equal to \$25 for each year of such service: *Provided*, That in no case shall the annuity exceed an amount equal to 80 per centum of the

highest average annual basic salary, pay, or compensation received by the officer or employee during five consecutive years of allowable service.

“(b) Any officer or employee, if a husband, retiring under the provisions of section 1, 2, or 6 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity and an annuity after his death payable to his surviving widow designated by him at time of retirement equal to 50 per centum of such life annuity. The annuity of the officer or employee making such election shall be equal to 90 per centum of such life annuity, reduced by three-fourths of 1 per centum of such life annuity for each full year, if any, his wife is under the age of sixty at the date of such retirement, but shall in no case be less than 75 per centum of such life annuity. The annuity of such widow shall begin on the first day of the month in which the death of the husband occurs or the first day of the month following the widow's attainment of age fifty, whichever is the later, and such annuity or any right thereto shall terminate upon her death or remarriage.

“(c) Any unmarried officer or employee in good health retiring under the provisions of section 1 or 2 of this Act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to a survivor annuitant having an insurable interest in such officer or employee, duly designated in writing and filed with the Civil Service Commission at the time of his retirement, during the life of such survivor annuitant equal to 50 per centum of such reduced annuity and upon the death of such survivor annuitant all payments shall cease and no further annuity shall be due and payable. The annuity hereunder payable to the officer or employee shall be 90 per centum of the life annuity otherwise payable if the survivor annuitant is the same age or older than the annuitant, or is less than five years younger than the annuitant; 85 per centum if the survivor annuitant is five but less than ten years younger; 80 per centum if the survivor annuitant is ten but less than fifteen years younger; 75 per centum if the survivor annuitant is fifteen but less than twenty years younger; 70 per centum if the survivor annuitant is twenty but less than twenty-five years younger; and 60 per centum if the survivor annuitant is twenty-five or more years younger. No such election shall be valid until the retiring officer or employee shall have satisfactorily passed a physical examination as prescribed by the Civil Service Commission. No person shall be eligible to receive an annuity under this subsection and an annuity under subsection (c) of section 12, based upon the service of the same officer or employee, covering the same period of time.

“(d) For the purpose of this Act all periods of service shall be computed in accordance with section 5 hereof, and the monthly annuity installment shall be fixed at the nearest dollar.

“(e) Except as provided in sections 501 and 522 (b) of the Federal Employees Pay Act of 1945, as amended, the term ‘basic salary, pay, or compensation’, wherever used in this Act, shall be so construed as to exclude from the operation of the Act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation.”

SEC. 5. The first paragraph of section 5 of the Act of May 29, 1930, as amended, is amended to read as follows:

"Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided."

SEC. 6. The first three paragraphs of section 6 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Any officer or employee to whom this Act applies who shall have served for a total period of not less than five years computed as provided in section 5 of this Act, and who, before meeting the age and service requirements for retirement under section 1 (a) hereof, becomes totally disabled for useful and efficient service in the grade or class of position occupied by the officer or employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the officer or employee, shall upon his own application or upon the request or order of the head of the department, branch, or independent office concerned, be retired on an annuity computed in accordance with the provisions of section 4 hereof: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than five years next prior to becoming so disabled for useful and efficient service, shall not be required in any case. No officer or employee shall be retired under the provisions of this section unless examined by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons, designated by the Civil Service Commission for that purpose, and found to be disabled in the degree and in the manner specified herein. No claim shall be allowed under the provisions of this section unless the application for retirement shall have been executed prior to the applicant's separation from the service or within six months thereafter. The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in case of an officer or employee who at the date of separation from

service or within six months thereafter is receiving hospital treatment, but the application in such case must be filed with the Civil Service Commission not later than six months after the termination of such hospitalization; in the case of any such person heretofore separated from service application may be filed within six months after the effective date of this Act. Such time limitation may similarly be waived in the case of an officer or employee who at the date of separation from service or within six months thereafter is mentally incompetent, but the application in such case must be filed with the Civil Service Commission within one year from the date of restoration of such person to competency or the appointment of a fiduciary whichever is the earlier.

"Every annuitant retired under the provisions of this section unless the disability for which retired be permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Civil Service Commission by a medical officer of the United States, or a duly qualified physician or surgeon, or board of physicians or surgeons designated by the Civil Service Commission for that purpose, in order to ascertain the nature and degree of the annuitant's disability, if any. If an annuitant shall recover before reaching age sixty and be restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to the position occupied at the time of retirement, payment of the annuity shall be continued temporarily to afford the annuitant opportunity to seek such available position, but not in any case exceeding one year from the date of the medical examination showing such recovery. Should the annuitant fail to appear for examination as required under this section, payment of the annuity shall be suspended until continuance of the disability shall have been satisfactorily established. The Civil Service Commission may order or direct at any time such medical or other examination as it shall deem necessary to determine the facts relative to the nature and degree of disability of any officer or employee retired on an annuity under this section.

"If a recovered disability annuitant whose annuity is discontinued subsequent to June 30, 1945, shall fail to obtain reemployment in any position included in the provisions of this Act, he shall be considered as having been separated from the service within the meaning of section 7 of this Act as of the date he was retired for disability and shall, after the discontinuance of the disability annuity, be entitled to a deferred annuity in accordance with the provisions of such section."

SEC. 7. Section 7 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 7. (a) Should any officer or employee to whom this Act applies after having rendered five years of civilian service, computed as prescribed in section 5 of this Act, but less than twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid as he may elect, (A) a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a) of this Act, or (B) the total amount credited to his individual

account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation.

“(b) Should any officer or employee to whom this Act applies, after having rendered at least twenty years of creditable civilian service and before becoming eligible for retirement under section 1 (a) of this Act become separated from the service, such officer or employee shall be paid a deferred annuity beginning at the age of sixty-two years, or the age at separation if beyond the age of sixty-two, computed as provided in section 4 (a).

“(c) All amounts returned to an officer or employee under this section must upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.”

SEC. 8. Section 8 of the Act of May 29, 1930, as amended, is amended to read as follows:

“SEC. 8. In the case of any officer or employee who before the effective date of this Act shall have been retired on annuity under the provisions of the Act of May 22, 1920, as amended, or section 8 (a) of the Act of June 16, 1933, the annuity shall be increased, effective on the first day of the second month following the month in which this Act is enacted by 25 per centum or \$300, whichever is the lesser: *Provided*, That each such annuitant may, prior to the effective date herein prescribed, elect to retain his or her present annuity, in lieu of the increased annuity provided by this section, and name his wife or her husband to receive upon his or her death one-half of his or her present annuity but not to exceed \$600 per annum during the remainder of the life of such surviving husband or wife and upon the death of such survivor no further annuity shall be due or payable. Except as provided in this paragraph, the amendments made by this Act shall not apply in the case of officers and employees retired prior to the effective date of this Act.

“In case any officer or employee shall have been separated subsequent to January 23, 1942, and prior to the effective date of this Act and have acquired title to annuity under section 7 of the Act of May 29, 1930, as amended, beginning after such effective date, his rights shall be determined and annuity computed as though this Act had not been enacted.”

SEC. 9. Section 9 of the Act of May 29, 1930, as amended, is amended to read as follows:

“SEC. 9. Each officer or employee within the purview of this Act shall deposit, with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the ‘civil-service retirement and disability fund’ a sum equal to $2\frac{1}{2}$ per centum of his basic salary, pay, or compensation received for services rendered after July 31, 1920, and prior to July 1, 1926; $3\frac{1}{2}$ per centum of the basic salary, pay, or compensation for services rendered from and after July 1, 1926, and prior to July 1, 1942; 5 per centum of said basic pay, salary, or compensation for services rendered from and after July 1, 1942, and prior to the

first day of the first pay period which begins after June 30, 1948, and also 6 per centum thereafter, covering service during which no deductions were withheld for deposit in the said fund. Such interest shall not be required for any period during which the officer or employee is separated from the service. Each such officer or employee may elect to make such deposits in installments during the continuance of his service in such amounts and under such conditions as may be determined in each instance by the Civil Service Commission. The amount so deposited shall be credited to the individual account of the officer or employee in the said fund. Notwithstanding the failure of an officer or employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by an amount equal to 10 per centum of the amount of such deposit, unless the officer or employee shall elect to eliminate such service entirely from credit under this Act: *Provided*, That no deposit shall be required for any service rendered prior to August 1, 1920, or for periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States."

SEC. 10. The first two paragraphs of section 10 of the Act of May 29, 1930, as amended, are amended to read as follows:

"Beginning as of July 1, 1942, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation: *Provided*, That from and after the first day of the first pay period which begins after June 30, 1948, there shall be deducted and withheld from the basic salary, pay, or compensation of each officer or employee to whom this Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation. The amounts so deducted and withheld from the basic salary, pay, or compensation of each officer or employee shall, in accordance with such procedure as may be prescribed by the Comptroller General of the United States, be deposited in the Treasury of the United States to the credit of the civil-service retirement and disability fund created by the Act of May 22, 1920, and said fund is hereby appropriated for the payment of annuities, refunds, and allowances as provided in this Act.

"Any officer or employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 per centum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 per centum per annum compounded as of December 31 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission, an annuity in addition to the annuity provided by this Act. The life annuity shall consist of \$7 for each \$100, increased by 20 cents for each full year, if any, such officer or employee is over the age of 55 years at the date of retirement. In the event of death or separation from the service of such officer or employee before becoming eligible for retirement on annuity, the total amount so deposited, with interest at 3 per centum per annum to date of death or separation compounded on December 31 of each year, shall be refunded in accordance with the provisions of

section 12 of this Act. In case a retired employee who is receiving a life annuity under this paragraph shall die without having received in annuity purchased by the total amount so deposited, with interest at 3 per centum per annum compounded on December 31 of each year, to date of retirement, the difference shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in section 12 (e)."

SEC. 11. Section 12 of the Act of May 29, 1930, as amended, is amended to read as follows:

"SEC. 12. (a) Under such regulations as may be prescribed by the Civil Service Commission the amounts deducted and withheld from the basic salary, pay, or compensation of each officer or employee for credit to the 'civil-service retirement and disability fund' created by the Act of May 22, 1920, covering service from and after August 1, 1920, shall be credited to an individual account of such officer or employee.

"(b) (1) In the case of any officer or employee to whom this Act applies who shall become absolutely separated from the service before he shall have completed an aggregate of five years of service computed as prescribed in section 5 of this Act, or who shall be transferred to a position not within the purview of this Act, the amount credited to his individual account together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded on December 31 of each year to date of separation shall be returned to such officer or employee: *Provided*, That in computing interest under this subsection, a fractional part of a month in the total service covered by the refund shall be disregarded, and no interest shall be allowed in any case unless the service covered by the refund aggregates more than one year.

"(2) All amounts returned to an officer or employee under this subsection must, upon reinstatement, retransfer, or reappointment to a position within the purview of this Act, be redeposited, together with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, by such officer or employee before he may receive any credit for the service covered by the refund. Such interest shall not be required for any period during which the officer or employee is separated from the service.

"(c) (1) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act and is survived by a widow, such widow shall be paid an annuity beginning the first day of the month following the death of the officer or employee or following the widow's attainment of age fifty, whichever is the later, equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee: *Provided*, That such payments or any right thereto shall cease upon death or remarriage of the widow.

"(2) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act, or after having retired subsequent to such date of enactment under section 1, 2, or 6, and is survived by a widow and a child or children, such widow shall be paid an immediate annuity

terminable upon death, remarriage, or attainment of age fifty. The annuity payable to the widow of such officer or employee shall be equal to one-half the amount of an annuity computed as provided in section 4 (a) hereof with respect to such officer or employee. The annuity payable to the widow of such annuitant shall be equal to one-half the amount of the annuity which such annuitant was receiving at the time of his death excluding any portion thereof purchased by voluntary contributions under the second paragraph of section 10, or, if such annuitant had elected a reduced annuity under subsection (b) or (c) of section 4, one-half of the annuity which such annuitant would have received if he had not made such election. There shall also be paid to or on behalf of each such child an immediate annuity equal to one-half the amount of the annuity of such widow, but not to exceed \$900 divided by the number of such children or \$360, whichever is lesser. Upon the death of such widow, the annuity of such child or children shall be recomputed and paid as provided in paragraph (3) of this subsection.

“(3) In case any officer or employee to whom this Act applies shall die subsequent to the date of enactment of this Act after having rendered at least five years of civilian service computed as prescribed in section 5 of this Act or after having retired subsequent to such date of enactment under section 1, 2, or 6, and leaves no surviving widow or widower but leaves a surviving child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the amount of the annuity to which such widow would have been entitled under paragraph (2) of this subsection had she survived, but not to exceed \$1,200 divided by the number of such children or \$480, whichever is lesser.

“(4) The annuity payable to a child under this subsection shall be terminable upon (A) his attaining the age of eighteen years, (B) his marriage, or (C) his death, whichever first occurs, except that if such child is incapable of self-support by reason of mental or physical disability his annuity shall be terminable only upon death, marriage, or recovery from such disability. In any case in which the annuity of a child, under this subsection, is terminated, the annuities of any other child or children, based upon the service of the same officer or employee, shall be recomputed and paid as though the child whose annuity was so terminated had not survived such officer or employee.

“(d) As used in this section—

“(1) The term ‘widow’ means a surviving wife of an individual, who either (A) shall have been married to such individual for at least two years immediately preceding his death, or (B) is the mother of issue by such marriage.

“(2) The term ‘child’ means an unmarried child, including a dependent stepchild or an adopted child, under the age of eighteen years, or such unmarried child who because of physical or mental disability is incapable of self-support.

“(3) Questions of dependency and disability arising under this section shall be determined by the Civil Service Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the nature and degree of disability

of any annuitant or applicant for annuity under this section, and may suspend or deny any such annuity for failure to submit to any such examination.

“(e) In any case in which—

“(1) an officer or employee to whom this Act applies shall die before having rendered five years of civilian service computed as prescribed in section 5, or after having rendered five years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c), or

“(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established, the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, in the following order of precedence:

“First, to the beneficiary or beneficiaries designated in writing by such officer or employee and recorded with the Civil Service Commission;

“Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such officer or employee;

“Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of thirty days from the date of the death of the officer or employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

“(f) In case any separated officer or employee who is entitled to a deferred annuity as provided in section 7 hereof shall die before having established a valid claim for annuity, the total amount credited to his individual account with interest at 4 per centum per annum to December 31, 1947, or the date of separation, whichever is earlier, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death, shall be paid upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e).

“(g) In any case in which—

“(1) a retired officer or employee shall die without a survivor entitled to annuity benefits provided by subsection (b) or (c) of section 4 or subsection (c) of this section, or

“(2) a retired officer or employee shall die leaving a survivor or survivors entitled to such annuity benefits and the right to annuity of all such survivors shall terminate before a valid claim therefor shall have been established, or

“(3) the annuities of all persons entitled to annuity based upon the service of an officer or employee shall terminate, before the aggregate amount of annuity paid equals the total amount credited to the individual account of such officer or employee with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to date of death or retirement of such officer or employee, whichever first occurs, the difference shall be paid, upon the establishment of

a valid claim therefor, in the order of precedence prescribed in subsection (e).

“(h) Any accrued annuity remaining unpaid upon the death of any retired officer or employee shall be paid, upon the establishment of a valid claim therefor, in the order of precedence prescribed in subsection (e). Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any person based upon the service of an officer or employee shall be paid to such person. Any accrued annuity remaining unpaid upon the death of any person receiving annuity based upon the service of an officer or employee shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

“First, to the duly appointed executor or administrator of the estate of such person;

“Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such person, to such individual or individuals as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other individual.

“(i) Where any payment under this Act is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the Civil Service Commission shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

“(j) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed \$1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of thirty days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person.

“(k) Each employee or retired employee to whom this Act applies shall, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this Act.”

SEC. 12. The first paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

“Annuities granted under the terms of this Act shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity shall have accrued. Payment of all annuities, refunds, and allowances granted hereunder shall be made by checks drawn and issued by the Treasury Department in such form and manner and

with such safeguards as shall be prescribed by the Civil Service Commission in accordance with the laws, rules, and regulations governing accounting that may be found applicable to such payments."

SEC. 13. The third paragraph of section 13 of the Act of May 29, 1930, as amended, is amended to read as follows:

"An annuity granted for retirement under the provisions of section 1 or 2 of this Act shall commence the first day of the month following the date of separation from the service, or on the first day of the month following the month in which salary shall cease provided the employee meets the age and service requirements for retirement at that time, and shall continue during the life of the annuitant. An annuity granted under the provisions of section 6 or 7 hereof shall be subject to the limitations specified in said sections."

SEC. 14. Section 14 of the Act of May 29, 1930, as amended, is hereby repealed.

SEC. 15. Except as otherwise provided herein, this Act shall become effective on the first day of the second month following the month of approval.

Approved February 28, 1948.

